

ABOUT CDF

The Children's Defense Fund exists to provide a strong and effective voice for the children of America who cannot vote, lobby, or speak for themselves. We pay particular attention to the needs of poor, minority, and handicapped children. Our goal is to educate the nation about the needs of children and encourage preventive investment in children before they get sick, drop out of school, or get into trouble.

Our staff of child health, education, child welfare, income support, mental health, and child development specialists conduct research and publish information on key issues affecting children; monitor the development and implementation of federal policies for children; provide regular information, technical assistance, and support to a network of state and local advocates; pursue an annual legislative agenda for children in the Congress; and litigate on a few selected issues of major importance to children when other avenues for advocacy do not work. We also educate many thousands of citizens annually about children's needs and responsible public policy options for meeting those needs.

CDF is a national organization with roots in communities across America. Although our main office is in Washington, D.C., we reach out to states and cities across the country to find out and influence what is happening to children, to help others who work for children, to monitor the effects of changes in national and state policies, and to assist those who work to influence what happens to children in their community, their state, and their nation. CDF maintains state offices in Mississippi and Ohio and has developed cooperative projects with groups in many states, and works closely with a range of national and state networks.

CDF is a private organization supported wholly by foundation and corporate grants and individual donations.

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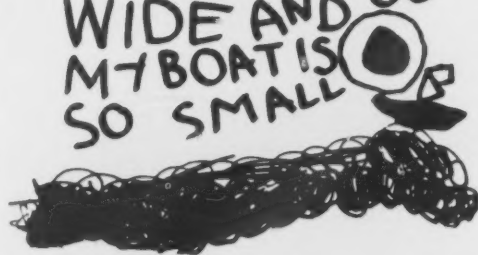
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R3840-2

A CHILDREN'S DEFENSE BUDGET

DEAR LORD
BE GOOD TO ME
THE SEAS IS SO
WIDE AND SO
MY BOAT IS
SO SMALL



*An Analysis of the
President's FY 1985 Budget
and Children*

CHILDREN'S DEFENSE FUND

ACKNOWLEDGMENTS

We gratefully acknowledge the tireless work of much of the CDF staff in pulling together this budget analysis. We have provided a staff roster in Appendix C. Please refer specific questions to the staff person in the relevant area. Our thanks also to Bob Greenstein and Stefan Harvey of the Center on Budget and Policy Priorities who contributed the chapter on food assistance. Any questions about food stamps, WIC, or other programs from that chapter should be directed to them. Their address is also provided in Appendix C.

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This book is dedicated with gratitude to all those caring individual Americans who are daily feeding the hungry and housing the homeless through soup kitchens and food banks and shelters all across America. As this book shows, they can not do it alone. You and I and our public officials must join them.

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**"Every gun
that is made, every
warship launched, every
rocket fired signifies...a
theft from those who
hunger and are not fed,
those who are cold
and are not clothed.
This world in arms
is not spending money
alone. It is spending
the sweat of its
laborers, the genius of
its scientists, the
hope of its children."**

Dwight D. Eisenhower

DWIGHT D. EISENHOWER
"The Chance for Peace"
delivered before the American Society of Newspaper Editors
April 16, 1953

An Opening Word:

Will the Real America Please Stand Up

"Would you tell me, please, which way I ought to go from here?"

"That depends a good deal on where you want to get to," said the Cat.

"I don't know where.....," said Alice.

"Then it doesn't matter which way you go," said the Cat.

--- Lewis Carroll's Alice in Wonderland

It does matter which way America goes. Upon it may hinge the fate of humankind in a nuclear age and the economic hope of millions of our world and national neighbors who are poor and unemployed. Upon it also hinges the legitimacy of our democratic principles.

The central issue in 1984 is not whether we elect a Republican or Democrat to the Presidency or which party will control the Congress, but what we elect them to do.

The fundamental issue in 1984 is the mission of America - who in the world do we want to be? Where do we want to go? How do we want our children and history to remember us? If God is just, how will we measure up?

With all her falling, stumbling, and detours, America has been a society on the way to somewhere better than where it began or is. President Reagan tells us "America is back, standing tall", but he does not tell us where we are back to, where we are heading, or for what we are standing.

Where We Have Been Going

Our founding fathers told us that our democratic govern-

ment was about ensuring the life, liberty, and pursuit of happiness for all our citizens - not just white citizens, male citizens, adult citizens, able-bodied citizens, educated citizens, rich citizens. Our centuries-long national struggle has been towards greater national unity among our different family members and extended opportunity to black as well as white, women as well as men, disabled and young as well as able-bodied and old, poor and uneducated as well as rich. President Reagan has switched our tracks backwards towards a two-tier society presided over by a national government whose business, he believes, is solely national defense and not ensuring fair opportunity and dignity for every American.

President Lincoln taught us that "right makes might." President Reagan teaches us that might makes right. President Lincoln when upbraided for trying to make friends of rather than destroying his enemies, replied: "Am I not destroying them when I make them my friends?" President Reagan, in a world imprisoned by nuclear weapons, seeks to scare small nations rather than talk to the Russians.

Our national motto says, "In God We Trust." Our national budget says in arms we trust. Although President Eisenhower warned us that our national "strength must be spiritual, economic, and military" if we are not to destroy from within what we are seeking to protect from without, President Reagan says military strength takes precedence. He is prepared to bankrupt us both economically and spiritually, spending more than we have to make America "secure" through arms.

President Franklin Roosevelt thought that "the test of our progress is not whether we add more to the abundance of those who have much: it is whether we provide enough for those who have too little." John Kennedy reminded us of

this in his 1961 Inaugural Address: "If a free society cannot help the many who are poor, it cannot save the few who are rich." President Reagan brags about an economic program that gave the top 3 percent of the population 17 percent of the tax cuts, and the bottom 22 percent 3 percent of the tax cuts, and then cut the latter's program benefits by more than they gained from the tax cuts.

The Bible mandates us to feed the hungry, heal the sick, clothe the naked, and house the homeless. President Reagan tells us to judge their "moral" eligibility for federal tax dollars while amorally shoveling out billions of tax dollars for tobacco and timber subsidies, three-martini lunch deductions, and countless tax dodges for the wealthy. And never mind if millions of ~~those~~ "moral ineligibles" are babies and children whom we hope will carry our moral values on to new generations of future Americans.

The Gravest Deficit

There has been much public debate about the budget deficits and the \$1.5 trillion national debt they will accumulate by the end of fiscal year 1985, whose tab our children and grandchildren will pay. President Reagan has taken our national credit card, borrowed \$530 billion already, and plans to borrow \$565 billion more from the national bank, gone on a weapons spending spree, and given a \$250 billion annual tax bonus we could not afford mostly to wealthy corporations and individuals. David Stockman says we would be eligible for bankruptcy if we were only a private corporation.

Serious public concern has also been expressed about a related deficit: the trade deficit, now at \$100 billion but which may hit \$120 billion next year. By late 1984, it will cost two million American jobs. Every \$1 billion of the trade imbalance means about 25,000 fewer job opportunities in Detroit and Toledo and Buffalo and Peoria according to the Department of Commerce in 1982.

These two deficits raise serious questions about the foresight and wisdom of our political and economic leaders and they require strong and disciplined national action, if we are to regain our economic bearings. But the gravest deficit of all, about which we hear too little public debate, is the spiritual deficit from which they flow. We are in danger of becoming a country where, in Dorothy Day's words, it is no longer "easier for people to be good." It is as if a thick moral fog has engulfed our national ship which is being pulled out to sea by political tugboats with visions only as far as the next election. America is number one in the world in spending for military defense, but number 17 in keeping our infants alive in the first year of life. We have a gross national product of \$3.6 trillion, but 13.1 million children living in poverty.

- . Each day, 30 American children die from poverty which could be completely eliminated by an annual public expenditure of \$14 billion a year. Just one-third of President Reagan's proposed military increase for 1985 could lift every single American child out of poverty.
- . Our national government paid farmers \$18 billion not to plant crops last year and \$580 million to ship and store surplus food while 450 million people throughout the world suffer from hunger and malnutrition. At home, churches, soup kitchen operators, doctors, school and day care officials, report more and more hungry families and children. Our national leader responds by cutting federal food programs and appointing a commission to justify inaction. To him, it seems more important to find out how many people are hungry than to adequately feed those we know are hungry.
- . In the next decade, our government plans to build 17,000 new nuclear weapons, useful only to commit world suicide. And our President plans to spend \$2.7 trillion on defense - \$730 billion already spent, and \$1.9 trillion still to go between now and fiscal year 1989. If we carry out this President's defense plan, by 1989 we will be spending \$456.4 billion a year; \$52.1 million an hour; and \$14,472 a second on the military. The Democratic

defense alternative during this same period?
\$416.1 billion a year, \$47.5 million an hour,
\$13,194 a second.

In other words, although we have already increased real defense spending by \$2,000 a second or 26 percent since 1980, the congressional Democrats want another \$3,000 a second increase and the President says he will not settle for less than another \$4,000 a second increase! One second of the Democratic increase could provide school lunches to 2,500 low-income children. One second of President Reagan's increase could provide school lunches to 3,300 of the low-income children he is cutting from the program.

Do our national leaders reflect what we want to stand for? If you believe, as I do, that people put their money and energy where their heart is and pay and work for what they value, then American values require dramatic transformation.

Perhaps we do not know our choices. We have many if we struggle to inform ourselves and hold our leaders accountable. Let me outline just a few:

- . Each week, 211 American children die from poor maternal and child health and nutrition while we continue to underfund preventive health programs by \$6.2 million a week and subsidize tobacco growers by \$3.3 million a week.
- . Each year, 327,000 American babies are born prematurely, shrinking their survival chances and increasing their rate of birth defects. The President and the Congress say we cannot afford the \$120 million needed in 1984 to provide their mothers prenatal care. They say we can afford to spend \$120 million each for 226 MX missiles - \$26 billion.
- . Each school lunch costs \$1.20 in federal subsidy; each child care snack of juice and crackers \$0.30 each; each federal executive dining hall meal costs \$12.48 in subsidy; and corporate meals are underwritten at an annual cost of \$3.2 billion. Just the \$1 million annual subsidy for the Pentagon's four executive dining rooms would buy 800,000

school lunches. The corporate meal subsidy would buy 2.5 billion school lunches for needy children.

- . Each year, the Defense Department spends \$6 million on personal servants for generals and admirals. Each servant costs \$21,000 a year plus military retirement and noncash benefits--three times the cost of training for a potential welfare recipient. The yearly \$6 million military brass servants program which could train 1,000 adolescent mothers for productive jobs elsewhere is left untouched. Job training and jobs for poor mothers are being cut.
- . We penalize state welfare departments (in reality, welfare recipients) if error rates exceed 3 percent. We reward lavishly a Defense Department which permitted 75 weapons systems cost overruns in 1982, some ranging up to 359 percent.
- . We are outraged when a "welfare queen" rips us off for a few hundred dollars a month and sigh resignedly when the Navy approves a payment of \$814 for the tiniest transistor you and I can buy for about 67 cents at our local Radio Shack.
- . It is pro life to be against abortion, but not pro life to ensure healthy births through adequate prenatal care or to immunize children against preventable diseases. Although half of American preschool children are not immunized, the Reagan administration has tried to decrease funds for immunizations and wants only \$6.5 million for immunizations next year. It wants to increase funds for forgiveness of military loans to foreign nations by \$1.2 billion.
- . It is pro family to require compulsory prayer in schools and to censor what children should read in their school libraries, but not pro family to help parents secure child care in order to work to support their children, or provide adoption assistance for children in foster and institutional care. Next year the President proposes to cut \$41 million from foster care and adoption assistance. He is leaving untouched the \$80 million annual new furniture expenditure of the Defense Department which is 4 times the new furniture purchases for the rest of the entire federal government.
- . There is a tiny \$7.5 million program that helps

promising migrant children get high school equivalency certificates and go to college. This program has never served more than a few thousand migrant children, for few will ever have a chance to go to college. President Reagan proposes to abolish it just to save the \$7.5 million. But he proposes to have the Federal Emergency Management Agency hire 4,000 architectural graduate students to make studies of bomb shelters.

- . Gallaudet College has operated a model elementary and high school for the deaf at an annual public cost of \$11.7 million. President Reagan must feel its deaf students are getting a free public ride. He is proposing that tuitions be imposed to replace the \$10 million he wants to cut - the amount we can get the DoD to save by restricting use of chauffeured cars to military officials rather than their family members.
- . There are 15 federal centers across the nation that serve 6,100 children who are both deaf and blind. This year, in order to save \$3 million, President Reagan proposes to eliminate all direct services to them and their parents, and turn the centers into pure technical assistance providers to the states. But he wants to increase by \$30 million the USIA's cultural exchange program whose blacklist excludes Coretta Scott King, Walter Cronkite, Gary Hart, and 81 other distinguished Americans from representing us abroad because they are "too liberal." More money will not cure USIA's moral blindness. It could really help deaf and blind children.

It is not just government's spending priorities that require rethinking. It is our own. Americans spent \$18.9 billion on alcoholic beverages in one year between 1980 and 1981, more than we spent on all social welfare and education charities combined. We spent \$10.2 billion on tobacco products and supplies, more than we spent on all health and medical charities. We spent \$8 billion on video games and devices, four times what we gave to United Way. We spent more than a half billion dollars on luxury autos, twice what we gave the Red Cross. We spent five times more to import mink, Russian

sables, and South African diamonds than we gave to the March of Dimes. We gave six times less to UNICEF in 1982 than we spent on importing pleasure boats costing more than \$15,000 each; less even than we spent on importing rugs and hangings from Iran.

What Can We Do?

OUR FIRST TASK IS TO REFLECT HARD WITHIN OURSELVES, OUR FAMILIES AND COMMUNITIES AND RELIGIOUS CONGREGATIONS ABOUT THE PERSONAL BELIEFS AND NATIONAL IDEALS WE WANT TO SEE AMERICA REFLECT. We must then try "little by little" to live them and be moved to act in two arenas: in the personal arena through greater service and outreach to those around us who are more needy, and in the political arena to ensure a more just society. One without the other is not enough to transform America.

VOTE AND GET OTHERS TO VOTE. In 1984, we do have presidential and congressional elections. The outcome will affect the direction and spirit of America's leadership at home and abroad. What we tell our leaders to do will determine whether we have more arms control or more arms proliferation; whether children will have enough to eat or continue to go hungry; whether the gap between white and black, rich and poor, male and female, young and old, disabled and able-bodied will be decreased or increased; whether we operate under a rule of law or political expediency; whether we will be a more selfish and indulgent or generous and disciplined people. Those we elect this year will influence the quality of American life for many decades through appointments to the U.S. Supreme Court; through environmental decisions that protect or poison our streams and foods; and through spending decisions on major weapons systems which lock our children into debt.

Every single eligible American needs to vote. In the last election, 45 million women did not vote; 8 million blacks did not vote; 22 million 18- to 24-year-olds did not

vote. Not voting is a vote. Not voting hurts our country and our children. Democracy is not a spectator sport. "The death of democracy is not likely to be an assassination from ambush. It will be a slow extinction from apathy, indifference, and undernourishment," Robert Maynard Hutchins warned us.

SPEAK OUT on national priorities this year in your neighborhoods, churches, and synagogues, through your letters to your local newspapers, and on local radio and television talk shows.

I know how hard this may seem to you. Every one of us is afraid to get out front or risk being called foolish or dumb or irresponsible. I am afraid of this every day. A lot of us are afraid of being labelled political. But we can be political without being partisan or wrong. It is politics that will largely determine how many jobs will be created or eliminated next year; how much money will be given for health and day care for children in your community; and how many more missiles will be built instead of low- and moderate-income houses. Every citizen has to be political by being informed about what our political leaders say and do, by debating our leaders' views and actions, and by communicating our views and visions to them.

HELP US RESTORE CHILDREN'S FUNDING THIS YEAR BY URGING YOUR CONGRESSIONAL MEMBERS TO ENACT THE PROVISIONS OF THE CHILDREN'S SURVIVAL BILL (H.R. 1603, S. 572) (CSB). Last year, thousands of individuals wrote letters to their representatives in support of the CSB and as a direct result Representative Geraldine Ferraro (D-N.Y.) and Senator Christopher Dodd (D-Conn.) and close to 100 members of Congress agreed to co-sponsor the legislation and Congress added back over \$1 billion to CSB programs. Although \$1 billion is a far cry from what was cut, and is a further cry from what is needed, it is a step, and it is a step that was taken only because people like you at home acted. We have revised the CSB for fiscal year 1985 and include all of its provisions in Chapter III. It

asks \$9 billion in children and family program restorations and suggests \$21.9 billion in alternative savings and costs. Its future savings will be even greater, thanks to healthier, better educated young adults able to contribute, rather than depend on, tax dollars. Study it. Fight for it. Do not let anybody tell you we cannot afford to relieve the suffering of poor children and families. As you have seen and will see throughout this book, we can afford to protect our children now if we simply want to enough. The same people who tell us now that Congress will not increase programs for children in an election year told us we had no chance to get any money back last year, no chance to avoid the deepest cuts the year before, and no chance to stop the total Reagan dismantlement of children's programs in his first year.

IGNORE THE NAYSAYERS AND HANDWRINGERS. KEEP FIGHTING BACK. DO NOT GIVE UP. As the chapters throughout this book show, we have lost some money but we have kept the basic framework of our successful federal programs for children in place. President Reagan did not win. And we must keep fighting, for our cause is just.

Be confident. Be determined. And be clear that neither Republicans nor Democrats will give children their fair due unless we insist. Work in coalition with others. Over 80 organizations representing children, the elderly, and handicapped conducted a massive lobbying effort in 1983 to increase the Social Services Block Grant. Congress responded by adding \$200 million for fiscal year 1984 - much less than the \$800 million cut from the program in 1981, but a step that would not have happened if people like you had not come together and acted within the legislative process.

Our task in 1984 is to make the needs of children visible in every community, at every political rally, in

every state house and legislature and in the Congress of the United States. We must fight hard and effectively for what our children need. In order to do this we must be well informed about the facts of harm to children and the responsibility of our public officials to correct them. You have strong arguments to make.

First, children are not the deficit causers. They are deficit containers if protected and prepared for the future as we outline in Chapter II. Often, officials are not well informed about what they vote on or do not know about the savings of prevention. Tell them.

Second, the programs we seek to restore and strengthen work. They keep children alive, healthy, and help them do well in school. The rhetoric that "nothing works" has so permeated public thinking that we must counter it over and over again. But we can. Again, Chapter II is designed to help you do this.

Third, the specific programs for which modest funding restorations are requested will simply put child funding back to where it was when the Reagan administration took office - without benefit of inflation adjustment.

Fourth, economic recovery alone will not, as President Reagan blithely contends, lift the millions of poor children in need out of poverty or provide them with the health care they need today. Even with a sharp recovery in 1983, no more than one-third of the newly poor 3.1 million children will be rescued from poverty in the absence of targeted and urgent governmental and private sector efforts. That is why the Children's Survival Bill exists and must be acted upon.

Fifth, we have the money to protect children. In addition to the \$21.9 billion in proposed budget tradeoffs and savings we include in Title II of the CSB, we have

outlined additional budget savings in Chapter III.

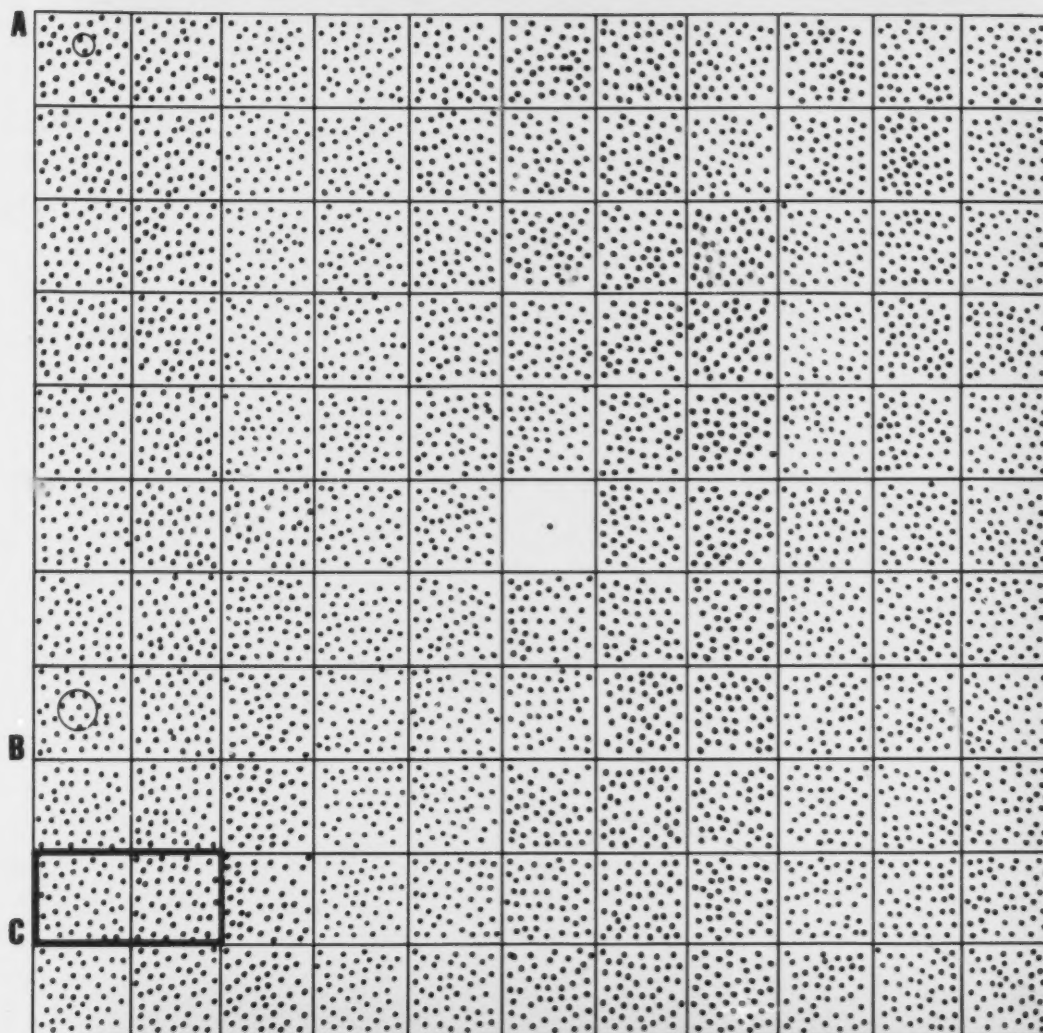
We must fight an administration and Congress that still thinks it is more important to fund 100 million military bands for \$100 million a year than to transfer that money to public schools to help thousands of children get compensatory education services.

PRAY FOR NEEDY CHILDREN AND FAMILIES, FOR THE LEADERS WHO MUST DECIDE THE FATE OF SO MANY OF THEM, THAT THEIR DECISIONS MAY BE GUIDED BY FAIRNESS AND JUSTICE. PRAY ALSO THAT YOU AND I MAY HAVE THE COURAGE AND PERSISTENCE TO HOLD THEM ACCOUNTABLE.

Marian Wright Edelman
President
Children's Defense Fund

Do you think we have enough nuclear firepower?

Our government doesn't think we have enough.



BEST AVAILABLE COPY

Judge for yourself.

The dot in the center represents the destructive force of all the firepower used during the entire six years of World War II.

Three million tons of TNT. Three megatons.

The other dots portray the firepower of the world's nuclear arsenals. 16,000 megatons. More than 5,000 World War II's.

Do you think we have enough?

The top lefthand circle (circle A) is the firepower of just one

U.S. submarine. Think of it: twice the firepower used in World War II aboard a single submarine.

That one submarine could destroy over 150 Soviet targets.

We have 19 such subs, plus 15 others with even greater firepower.

Do you think we have enough?

The Pentagon doesn't think so.

The Pentagon wants more. Like the new Trident submarine. Its firepower is portrayed by the

lower lefthand circle (circle B). About seven World War II's.

Just two squares (labeled C) on this chart (more than 250 megatons) represents enough firepower to destroy all the large- and medium-sized cities in the entire world.

Do you think we have enough?

The Reagan Administration doesn't think so. In the next decade, the U.S. plans to build 17,000 new nuclear weapons.

If you think we already have

enough weapons, call, toll-free, 1-800-NUCLEAR. We will send you information about what you can do to help halt the arms race.

You can make a difference.

U.S. Congressional staff have reviewed the facts and have found them accurate.

Documentation available on request.



THE PRESIDENT'S FY 1985 BUDGET: THE NUMBERS

Categorical Programs	Current Program/ Current Policy (millions)	FY 1985 Proposed Level (millions)	Proposed Change (millions)	Proposed Change (percent)
Compensatory Education (Title I)	\$ 3,480.0	\$ 3,480.0	\$ 0.0	---
Handicapped Education	1,239.4	1,214.4	- 25.0	- 2.0
Maternal and Child Health	399.0	407.3	+ 8.3	+ 2.1
Mental Health Block Grant	462.0	472.3	+ 10.3	+ 2.2
Child Welfare Services & Training	168.8	168.8	0.0	---
Child Abuse State Grants	6.8	6.8	0.0	---
Social Services Block Grant (including Community Services)	3,048.0	2,700.0	- 348.0	- 11.4
Juvenile Justice	70.2	0.0	- 70.2	-100.0
Runaway Youth	23.3	10.5	- 12.8	- 54.9
Head Start (excluding lunch money)	995.8	994.7	- 1.1	- 0.1
Energy Assistance	1,875.0	1,875.0	0.0	---
Supplemental Food (W.I.C.)	1,312.4	1,290.4	- 22.0	- 1.7
Youth Employment	724.5	637.5	- 87.0	- 12.0
Legal Services	275.0	0.0	- 275.0	-100.0
Entitlements				
Food Stamps	11,154.9	10,780.9	- 374.0	- 3.4
Child Nutrition (School Lunch, Breakfast, Child Care Food, etc.)	4,155.6	4,106.9	- 48.7	- 1.1
Aid for Dependent Children	7,777.0	7,144.0	- 633.0	- 8.1
Foster Care & Adoption Assistance	514.2	473.1	- 41.1	- 8.0
Medicaid	23,205.0	22,138.0	-1,067.0	- 4.6
Total	\$ 60,886.9	\$ 57,900.6	\$ -2,986.3	- 4.9%

Chapter 1

Overview

The Reagan Record: Children First?

I never thought that things would ever be this bad. I had to take my little girl to the welfare office and tell them that I couldn't take care of her, my own baby. But I was out of work and couldn't get welfare and there was no heat in the apartment because I didn't have the money to have the gas turned on and there was no food and I was worried that she would die from the cold and always being hungry. She started getting real slow and sleepy and I knew that I had to do something, and I didn't know what else to do. So I had to take her to that place and they arranged a foster home for her, but I don't know when I will get her back because I'm still just as broke and with no idea when things will be getting any better. But I want my daughter back and I want to work and have a home. Is that too much to ask for?

From San Francisco
Child Watch Report

Since 1980, children have come first in budget sacrifice. They lost one of every 10 dollars previously provided them by their national government for critical preventive children's and family support programs.

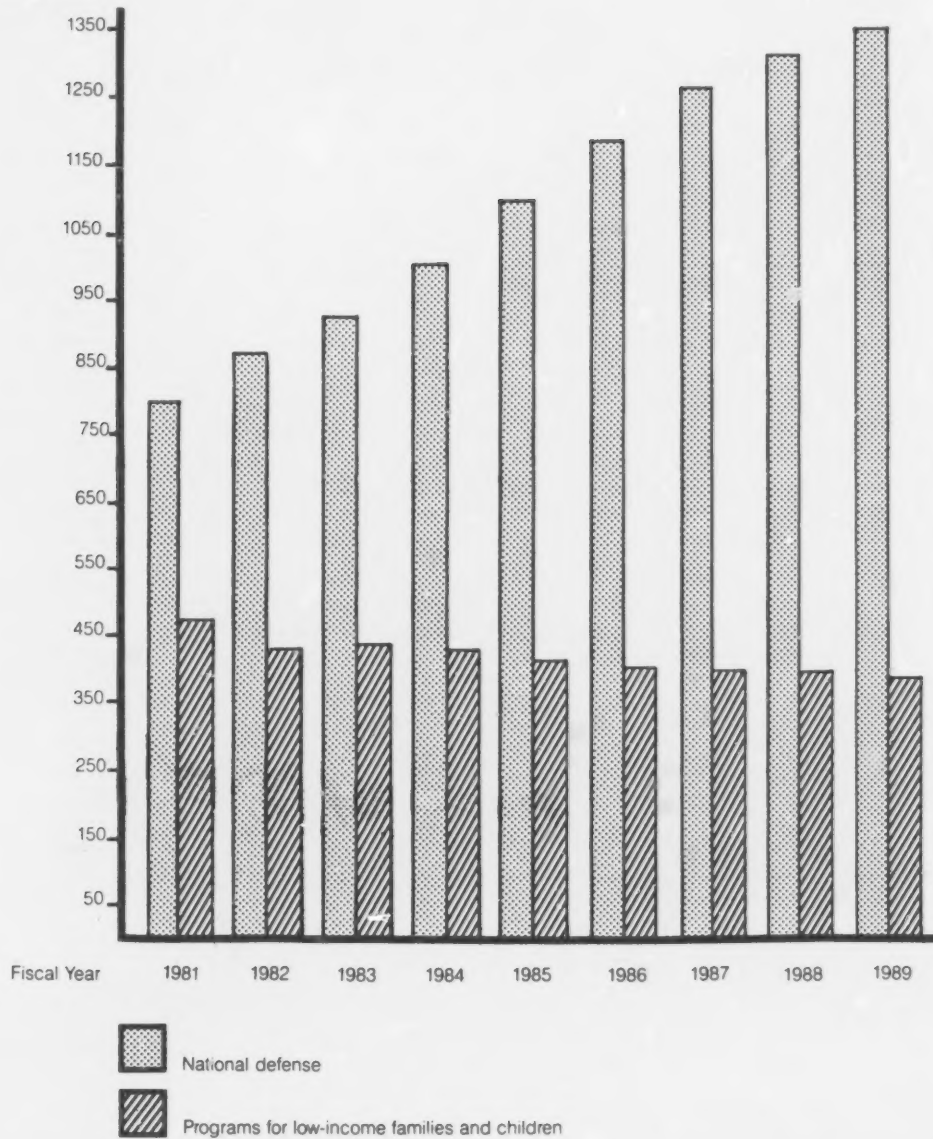
In fiscal year 1982, the Reagan administration proposed \$11 billion in cuts in these programs. The Congress enacted \$9 billion.

In fiscal year 1983, the Reagan administration proposed an additional \$9 billion in cuts in those same programs. Congress enacted \$1 billion.

In fiscal year 1984, the Reagan administration proposed an

REAL OUTLAYS PER CAPITA FOR NATIONAL DEFENSE
AND PROGRAMS FOR LOW-INCOME FAMILIES AND CHILDREN
(1984 dollars)

Per Capita Outlays
(1984 dollars)



By fiscal year 1989, every American will be spending \$555 or 70 percent more on defense and \$88 or 19 percent less on poor children and families.

additional \$3.5 billion in cuts in those programs. The Congress restored \$1.1 billion.

In fiscal year 1985, the Reagan administration is again seeking \$3 billion in additional cuts in those same programs. We are asking the Congress to restore \$9 billion to help children survive.

Children also have been the first victims of poverty. More than 3.1 million children, 3,000 a day, have fallen into poverty since 1979. Their 31 percent poverty increase is the sharpest rise in child poverty since poverty statistics have been collected. Less than one-third of these new poor children will be lifted from poverty by economic recovery alone.

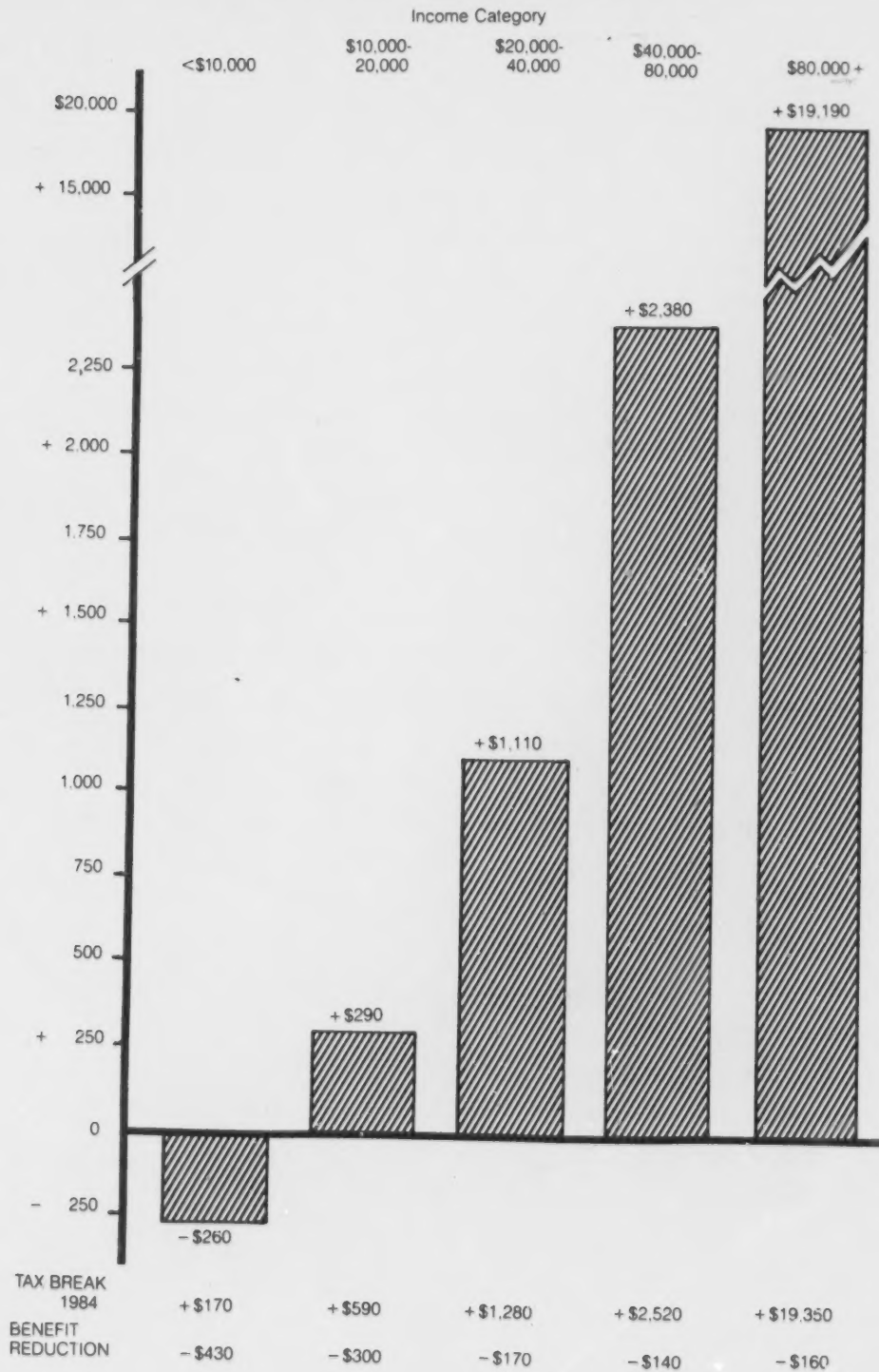
Children remain first among Americans in need. Completely dependent on the fairness and caring of adults for food and shelter and health care and education, so many have been left at risk when their adults of first resort - their parents - have been left jobless by economic recession. Their national government's response - as we show below and in each of the program chapters in this book - has been to cut rather than help.

THE REAGAN CREED

On December 6, 1983, Edwin Meese, presidential counselor, now Attorney General designate, told a group of reporters that the Reagan administration "had demonstrated its heart"; that "in each of the steps that we have taken, whether it is reform of programs, whether it is restructuring of spending priorities, has been to make sure that those who are truly in need have been taken care of"; and that "the situation is less serious as far as poverty is concerned than it was three years ago."

On January 25, 1984, in his fourth state of the union address, President Reagan declared: "Our children come first."

NET CHANGE IN HOUSEHOLD INCOME RESULTING FROM
TAX BREAKS PLUS BENEFIT REDUCTIONS 1984



The top 3 percent of households received 17 percent of the tax cuts and the bottom 22 percent, 3 percent of the tax cuts. The latter lost more in benefit cuts than they gained in tax breaks.

THE REAGAN DEEDS

The Fiscal Year 1985 Budget Numbers

The fiscal year 1985 Reagan administration budget proposes to cut another \$3 billion or about 5 percent more from federal programs designed to help poor, handicapped, homeless, and minority children and families.

Proposed fiscal year 1985 cuts in nonentitlement children's programs include:

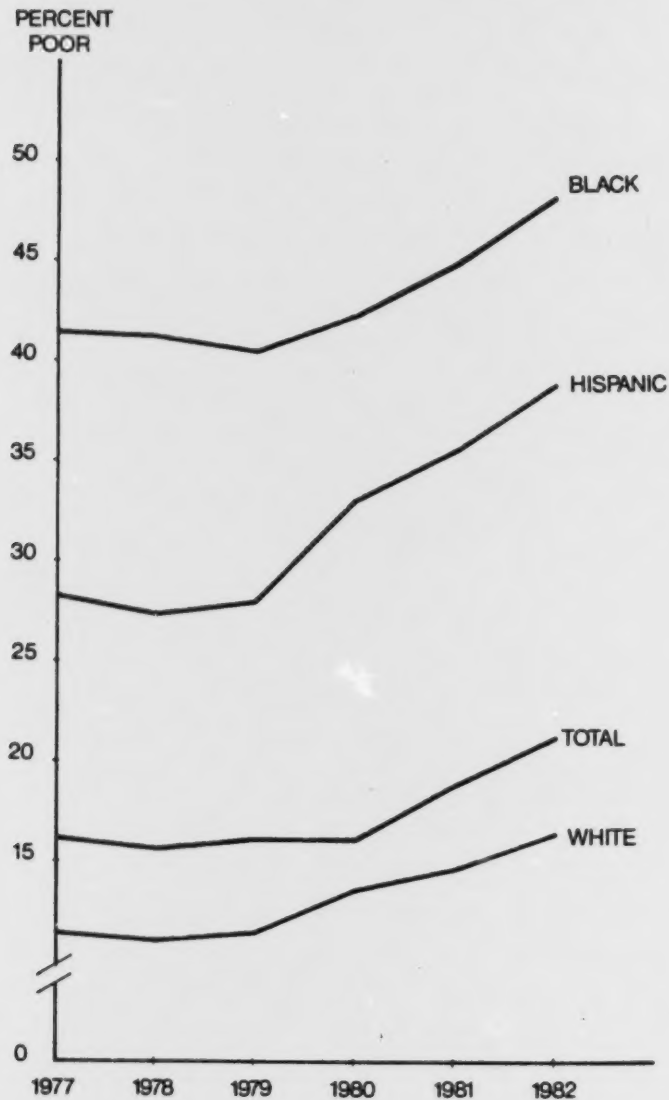
- . \$200 million less than needed to maintain the current caseload in the Special Supplemental Food Program for Women, Infants, and Children (WIC) in fiscal year 1985 on top of \$133 million less for the remainder of the current fiscal year. According to former federal food stamp administrator Robert Greenstein, inadequate appropriation requests for WIC means elimination of 500,000 to 1 million pregnant women, infants, and children from the WIC program this spring.
- . \$25 million from handicapped education.
- . \$348 million from the proposed combined Title XX Social Services and Community Services Block Grant that funds child care for working mothers and crisis services for needy families.
- . \$87 million from summer youth employment programs and nearly \$13 million from the Runaway and Homeless Youth Program (the latter a 54 percent cut).
- . Elimination of all juvenile justice prevention and legal service programs.

Proposed cuts in means-tested entitlement programs for poor families and children include:

- . Another \$374 million from food stamps, half of whose recipients are children.
- . \$48.7 million from child nutrition programs.
- . \$633 million from AFDC, 70 percent of whose recipients are children.
- . \$41 million from foster care and adoption assistance.
- . \$1.067 billion from Medicaid.

These proposed one-year cuts are much worse than they seem. For example, between fiscal year 1985 and fiscal year

POVERTY RATE AMONG CHILDREN, 1977-1982



Children have fallen into poverty at the rate of 3,000 a day since 1979. This 31 percent increase is the sharpest rise in child poverty since the collection of poverty statistics began. Only one-third have a chance of escaping poverty through economic recovery alone.

1987, Medicaid would lose another \$3.338 billion. The new AFDC proposals will result in a \$2.4 billion cut in federal AFDC and Child Support programs over the next three years and a comparable loss in state and local matching funds for a nearly \$5 billion total. The new budget also means a freeze on current spending for child recipients of health, education, and other programs that have lost significant purchasing power due to inflation.

A freeze also does nothing to relieve the painful results of previous budget cuts and continuing epidemic unemployment which we describe below.

THE REAGAN RESULTS

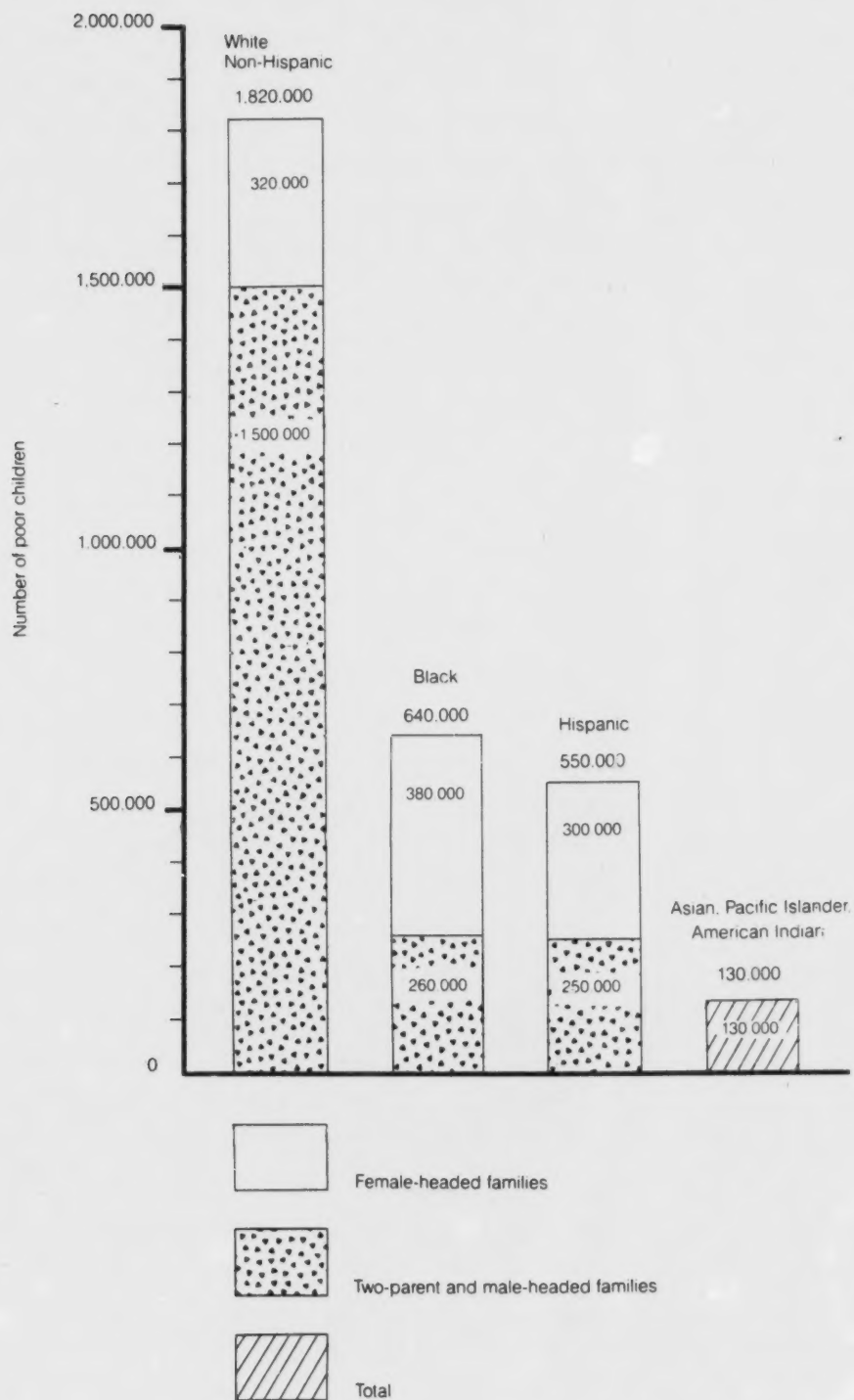
Economic recession and unjust Reagan budget cuts have taken their toll on the health, nutrition, child care, and family well-being of millions of American children. American children today are significantly poorer, more likely to suffer death and sickness, hunger and cold, abuse and neglect, and inadequate child care. They are less likely to be born with adequate prenatal care, to be immunized, have access to preventive health and dental care, and to receive supplemental education services than when President Reagan took office.

Child and Family Poverty: Children are the poorest age group in America. Today, nearly 40 percent of all poor people are children, and the number of poor children has been growing steadily. Most of these children's families make do with the little they can earn, worrying that they cannot afford food and utilities, hoping that no child gets sick because they have no health insurance and cannot afford medical bills, and asking little of their neighbors or the government.

One in five American children is poor, one in two black children is poor, and two in five Hispanic children are poor.

NEWLY POOR CHILDREN 1978-1982

Today there are 13.1 million poor children in America. About 3.1 million of these children have fallen into poverty in the last three years. Who are these newly poor children?



- . Children are 70 percent more likely to be poor than adults.
- . 56 percent of the 12 million children in female-headed households are poor.
- . Blacks are three times more likely to be poor than whites. Female-headed households are 4.6 times more likely to be poor than two-parent households or those headed by a man.

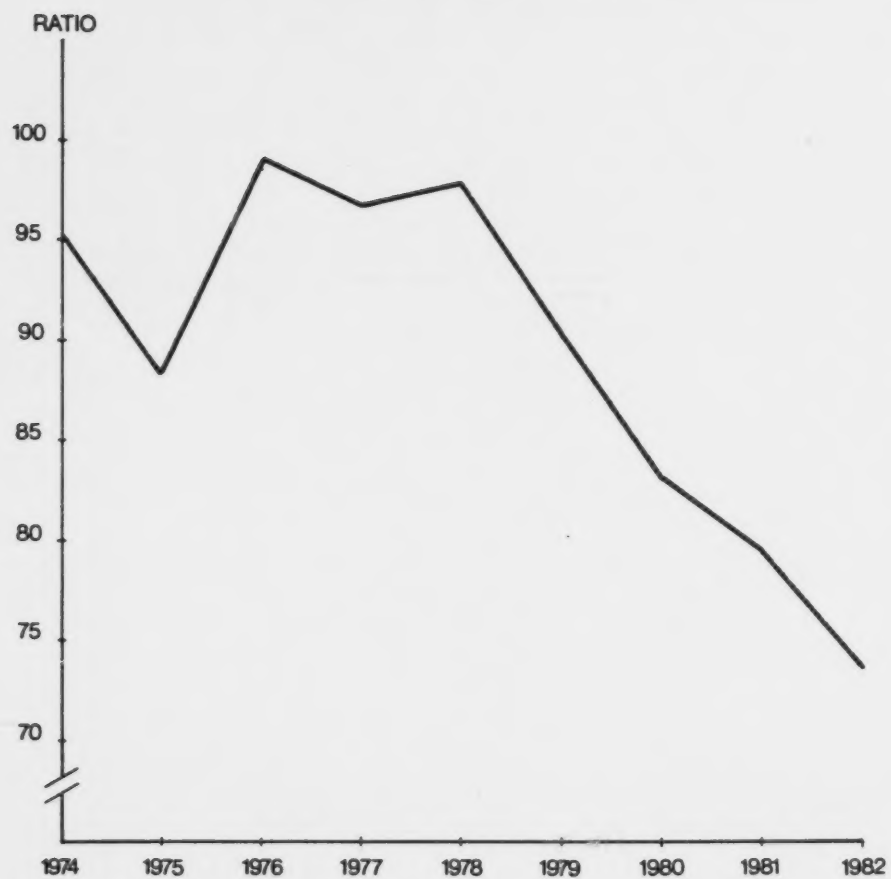
Serious unemployment has made child poverty worse:

- . As of March 1983, there were 7 million children with at least one parent unemployed. One million of them had family incomes under \$5,000 in 1982. Another 1.3 million had family incomes between \$5,000 and \$10,000 in 1982.
- . Thirty-seven percent of all adult black males have no job. About 60 percent of all black children have a currently employed mother; only 40 percent have a currently employed father.
- . About one of every five women who is unemployed is the sole source of support for her children. The unemployment rate among women who head families is more than twice that of married men. Their poverty rate has increased by 19 percent since 1979.
- . Fifty percent of all families experiencing unemployment receive no federal assistance: 82.8 percent receive no food stamps, and 60 percent receive no unemployment insurance.

Child Nutrition: The nutritional status of poor children has declined. Child hunger, virtually eliminated by the federal food programs during the 1970s, has returned to communities all over America. Epidemic unemployment exacerbated by massive federal food program cutbacks over the last three years have contributed to this tragedy.

- . School Lunch, School Breakfast, Child Care Food and Summer Food programs have been reduced 29 percent or over \$5 billion over fiscal years 1982 to 1985.
- . Food stamps have been cut \$7 billion over fiscal years 1982 to 1985 (\$2 billion in fiscal year 1984 alone).
- . The number of children receiving school lunches each day has fallen by nearly 3 million.

NUMBER OF CHILDREN RECEIVING MEDICAID PER 100 CHILDREN
IN POVERTY, 1974-1982 (*fiscal years*)



- . The number of low-income children getting free or reduced-price lunches dropped by nearly 1 million. Seventy percent of them had family incomes below the poverty line.
- . Nearly 2,700 schools eliminated their school lunch programs and thus lunches for the poorest children in those schools.
- . One-half million fewer children participate in the School Breakfast Program (a program only 15 percent the size of the School Lunch Program). Two-thirds had family incomes below poverty.
- . Day care centers and homes may now serve a child two rather than three meals, and one rather than two snacks a day regardless of whether they are in care more than eight hours.
- . 400,000 fewer poor children receive summer lunches.
- . One million recipients have been dropped from the Food Stamp Program. Twenty million have had their benefits reduced. The average gross income of food stamp households (including federal and state welfare assistance) is just \$4,275 a year with average cash assets of just \$62. Half of all food stamp recipients are children.

Child and Maternal Health: Health care access for poor children and mothers has been severely eroded. Reduced public health expenditures in a time of massive unemployment and lost health insurance has so stalled child health progress that a majority of states will fall short of the Surgeon General's modest goals to reduce low birth weights and ensure adequate prenatal care by 1990.

- . Medicaid cuts have resulted in all 50 states reducing their Medicaid Program for mothers and children by cutting back on services and restricting eligibility. 700,000 children have lost Medicaid as a result of AFDC eligibility changes and cutbacks.
- . The children's share of Medicaid expenditures dropped from 15 percent in fiscal year 1978 to 12 percent in fiscal year 1982. Between fiscal year 1979 and fiscal year 1982, real dollar payments per child dropped 16 percent from \$438.56 to \$369.20, meaning that fewer services were purchased for each child. This is less than one-third of the average annual health cost per American.

- . The number of children on Medicaid compared to the number of children in poverty fell sharply between 1980 and 1982. During this period, the number of poor children grew by over 2 million or 18 percent. The number of child Medicaid recipients grew by only 317,000 or 4 percent.
- . Title V Maternal and Child Health Block Grant reductions have resulted in 47 states cutting back on maternal and child health clinic services and tightening eligibility requirements.
- . Federal funding cuts in the Community and Migrant Health programs which serve the most medically underserved urban and rural areas have caused 725,000 fewer people to get services, 64 percent of whom are children and women of childbearing age.
- . Persistent underfunding of the Childhood Immunization Program and increases in the cost of vaccines have contributed to less than 50 percent of preschool children being immunized. Only 39 percent of black preschool children are immunized against polio.

Across-the-board health cuts affecting the poorest families have contributed to a nationwide drop in the percentage of pregnant women receiving adequate prenatal care, sharp increases in the number of children seeing doctors only in emergencies and who lack protection against diseases, and a setback in our national fight to lower infant mortality, and low birth-weight rates among black and white poor children.

- . In 1982, 22 states showed an increase in the percentage of women receiving late or no prenatal care compared to previous years; 18 states showed this increase among nonwhite women; and 10 states reported a rate of late or no prenatal care among nonwhite women as the worst in five years.
- . Twenty states showed a decreased percentage of women receiving care in the first three months of pregnancy; 19 showed this decline among nonwhite women.
- . Between 1981 and 1982, 20 states showed increased death rates for some or all infant populations. The death gap between black and white infants is not closing. The black infant mortality rates in some poor Baltimore neighborhoods exceed those in Jamaica and Guyana.

Education: The Presidential Commission on Educational Excellence notwithstanding, the educational opportunities for poor, handicapped, minority, and female children have declined as a result of Reagan budget cutbacks.

- . In the three annual budgets submitted to Congress since he took office, President Reagan has urged budget cuts and rescissions in federal educational programs amounting to \$9.6 billion. Although Congress rejected most administration education cuts, nevertheless federal funding for education declined in real dollars from fiscal year 1980 to fiscal year 1984 by 21.5 percent.
- . Thirty-two states reported providing fewer children Title I compensatory education services in the 1982-1983 school year. 900,000 disadvantaged children lost Title I compensatory education services. Thirteen states eliminated some kinds of Title I/Chapter I programs entirely including math and preschool programs.
- . Although Congress twice rejected President Reagan's efforts to repeal the Education for All Handicapped Children Act (P.L. 94-142), federal funding to educate handicapped children has declined by 9.1 percent when adjusted for inflation. The federal share of the excess cost of educating a handicapped child had dropped to 8 percent in fiscal year 1983 from 12 percent when President Reagan took office.
- . The federal Bilingual Education Act, cut by 38 percent when adjusted for inflation, will cause the number of children served in the 1984-1985 school year to be cut by almost one-third.
- . A 30 percent funding reduction for federal vocational education programs has led to a reduced state and local commitment to sex equity in vocational preparation. Initial sex equity gains made in the 1970s are now in danger of disappearing due to budget cuts and poor federal oversight.
- . Between 1973 and 1980, over \$200 million was spent annually to help urban schools peacefully desegregate under the Emergency School Aid Act. In 1981, this program was repealed and consolidated into the education block grant. Since 1981, use of federal funds for desegregation has almost disappeared. Twenty-nine large city districts with large minority child populations lost over 63 percent of their supplemental education assistance.

Child Care: Federal support for child care for working parents through Title XX social services was initially cut 21 percent; child nutrition programs that provide meals to child care centers and homes were cut 30 percent; CETA, which previously provided staff for child care centers has been abolished; child care support formerly available to poor families through AFDC has been reduced. The quality and the quantity of child care available to poor and low-income working families has shrunk.

- . Thirty-two states provided child care to fewer poor children in 1983 than in 1981.
- . Thirty-three states cut child care funding in response to federal funding cutbacks.
- . Twenty-four states have reduced funds for training child care workers.
- . Thirty-three states have lowered the standards for Title XX child care programs.
- . Thirty-two states have cut back on the number of child care staff.
- . Twenty states have made it more difficult for poor mothers trying to improve their education or job skills to receive child care subsidies.
- . Child care waiting lists have grown. Massachusetts has a waiting list of 6,000; Florida, 4,000; Georgia, over 5,000.
- . The number of children's services shrunk between 1981 and 1983. Illinois served 10,100 fewer children; Delaware, 1,044; Virginia, 3,824; and New Hampshire, 1,000.

Head Start: The sole Reagan "safety net" program for children has received more administration praise than money. It is still able to serve only 18 percent of eligible children.

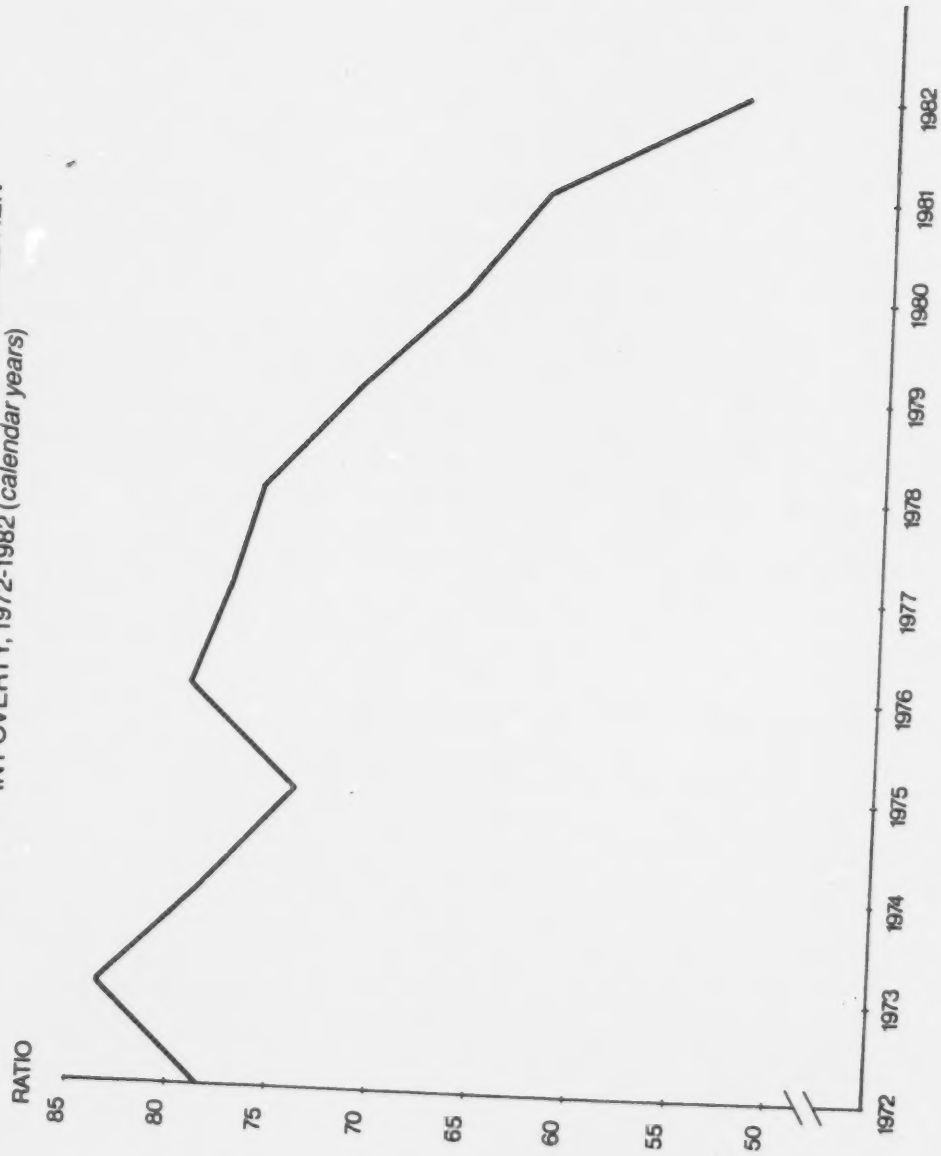
- . Upon taking office, President Reagan initially adopted the 16 percent Carter administration increase for Head Start. A few months later, he reneged on this proposed increase and recommended a 12 percent cut - from \$950 million to \$836 million in a stop gap funding bill for fiscal year 1982. Congress said no and appropriated \$912 million.

- Later that year, the Office of Management and Budget (OMB) tried to block grant and reduce Head Start's funding again, and the Department of Health and Human Services (HHS) attempted to "streamline" Head Start's effective performance standards, thereby provoking a storm of negative protest.
- Almost 415,000 children are now enrolled full year in Head Start, only 18 percent of those eligible; HHS has tried but not yet succeeded in cutting training funds; waiting lists have grown; and the loss of CETA workers has not been made up by volunteers as the President predicted.

AFDC: The largest federal cash assistance program for poor mothers and children has been scapegoated by an administration more interested in painting it a haven for a few "welfare queens" than as the frayed lifeline it is for the millions of poor children who make up 70 percent of the AFDC rolls. Some \$2 billion in federal and state cuts occurred in fiscal year 1982, and \$85 million more in fiscal year 1983.

- An estimated 725,000 families, including 1.45 million children, lost benefits entirely or have had benefits reduced. Although the greatest impact was on working families, even AFDC recipients with no earnings lost an average of \$27 per month in benefits nationwide.
- Only six of the 30 states that used to provide AFDC to first-time pregnant women throughout their pregnancy continue to provide cash assistance at former AFDC levels, partly with state funds, during that period. Six of the 30 no longer provide any AFDC to these pregnant women.
- While the number of children in poverty increased by over 1 million between 1981 and 1982, the number of children on AFDC dropped by over 550,000. The average number of children on AFDC compared to the number of children in poverty has declined continually since 1976. In 1982, only 52.8 of every 100 poor children received AFDC, down from 71.8 per 100 in 1979. Between 1979 and 1982 alone this gap widened by almost 20 percent.
- In 36 states, even the combined AFDC and food stamp level for a family of three was less than 75 percent of the 1983 poverty level. The average AFDC benefit is \$105.20 per person per month, which is \$24.32 a week and \$3.47 a day.

NUMBER OF CHILDREN RECEIVING AFDC PER 100 CHILDREN
IN POVERTY, 1972-1982 (calendar years)



Children With Special Needs: The Reagan administration's response to neglected, abused, homeless, and emotionally disturbed children, our most vulnerable young, has been repeated efforts to eliminate or reduce funding for 11 federal programs providing already inadequate help to different populations of special needs children.

- . Funds for child abuse prevention demonstration programs have been cut by 40 percent, while reports of abuse and neglect have more than doubled.
- . The Adoption Assistance and Child Welfare Act of 1980 weathered two abolition attempts, but has been significantly underfunded at a time when protective services workers around the country report dramatic increases in caseloads from parents unable to meet their children's needs.
- . The Runaway and Homeless Youth Act continues to face administration cuts of over 50 percent although between 1.2 million and 1.5 million children run away or are left homeless annually. Congress has responded to heightened attention to their plight and funded the Act at \$23.2 million. We hope they will persist this year.
- . The Juvenile Justice and Delinquency Prevention Program has been a persistent administration target for elimination. The apparently preferred public policy seems to be to pay between \$12,000 to \$14,000 a year to keep children in state correctional facilities, rather than to try to prevent their getting into trouble.
- . The 3 million seriously emotionally disturbed children in this country continue to go unserved by federal programs. Cutbacks in education programs for handicapped children and the block granting of the social services and community mental health centers programs have particularly hurt them. Congress's new appropriation of \$1.5 million for a tiny new mental health initiative for seriously emotionally disturbed children and adolescents is scheduled for elimination in the Reagan budget. But they still leave untouched the more than \$4 million federal veterinary subsidy for the pets of military personnel.

There Are Human Casualties Behind These Statistics

At the beginning of each program chapter, we share the stories of real children or families in need to show how

Jan '8- 74

Dear Mrs Edelman

I saw you on TV speaking for the poor children in America.

It make me feel so sad to see what happen to our children here in mississippi - even before they are born. If the President cut the program any more I don't know what we going to do. The only thing some people have here to live on is food stamps. No other way to live. If you between 18 and 62. If you a young lady and have children and don't have a husband for one child you will get sixty dollars a month. If you have three children you will get a one hundred and ten dollars a month. And some food stamps my son Carl out of College now and been looking for a job for last six month. No luck. He never work enough to get unemployment so he don't have any income at all.

I were lister to New. When the President Man said it wasn't true there wasn't any hungry people in America. I wish he would come to mississippi.

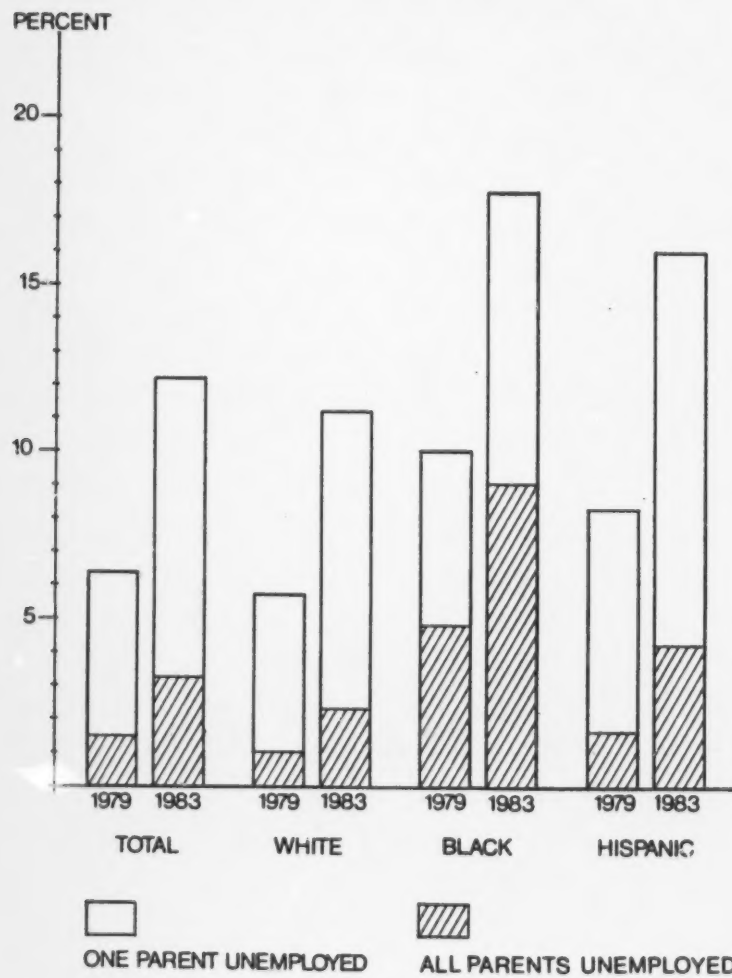
Love always Mae B. Carter

particular federal cuts have affected them. Some, like most of us, believed it could never happen to them. Soup lines! Welfare! They had always worked. To suddenly find themselves the victims of a divorce (one feminist leader has said that millions of women are only one husband away from welfare), a factory closing, an accident which threw them on the mercy of their neighbors and government, or a lost benefit which held out a chance for self improvement, has sapped their dignity and hope. Many families have been avalanched by multiple Reagan cuts all at once - in AFDC, health, nutrition, heating and housing assistance, as food and housing and energy and health cuts have increased. One previously proud father told the Citizens' Commission on Hunger in New England how he "occasionally stole bread and cheese from the store" to feed his children; another described how he felt "inept as a parent and as a husband" because he could not provide for his children.

While millions of generous Americans have opened up their hearts and churches, manned soup kitchens, and shared clothing and housing, they cannot meet all the needs of our poor American neighbors alone. They cannot provide prenatal and delivery care for the babies who need it. They cannot save the lives of the children who come to hospital emergency rooms dangerously ill because their parents could not afford to buy them health care earlier. Nor can private groups provide all the child care single mothers need to get off welfare. They need their government's help from time to time.

President Reagan has done us all a disservice by making government an ungenerous rather than compassionate example for the rest of us. He has turned his ideology into truth and the poor into political pariahs. He has painted all social programs as costly failures of the Great Society days, and demoted the federal "safety net" into a slogan rather than lifting it as an evolving historical commitment that the nation needs to honor and strengthen--especially in times of

PERCENT OF CHILDREN WITH ONE OR ALL PARENTS UNEMPLOYED,
MARCH 1979 AND 1983

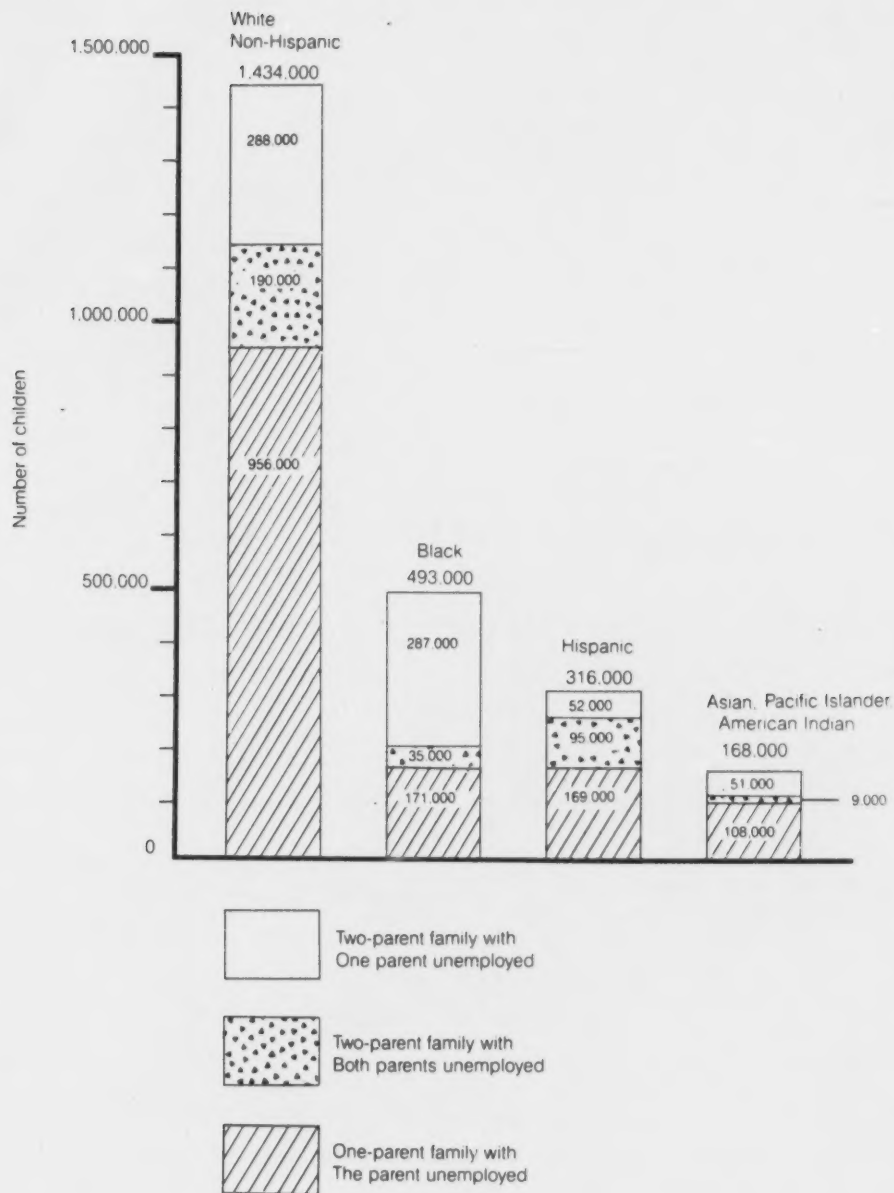


great need like these. His actions say that the health and well-being of American children is not a proper federal concern and investment. He is wrong and he ignores a long history of federal commitment to children whose roots lie in the dawn of American history. The first federal commitment to children was made less than 10 years after the Declaration of Independence as we show in Chapter II. In the nineteenth century, programs to help children increased and they have received the strong support of Republican and Democratic administrations ever since. Although President Reagan says he cherishes old American values and commitments, our government's traditional commitment to our children is something he has proven only too willing to ignore. He does so at peril of our national future.

Budget deficits notwithstanding, 1984 is a time to invest in children - not after the election - not after economic recovery. Controlling future deficits demands that we begin to invest in prevention now. As we show in instance after instance in chapter II, prevention pays. Neglect costs. Education is less expensive than ignorance. Sickness costs more than health. Stable families are more cost effective than institutions.

Some of the most vulnerable families in the nation are those headed by teenage mothers. These teenagers' education and earning power are cut short by their sudden responsibilities for a young child. Our government could help prevent adolescent pregnancies far more than it does now. Under this administration, the federal government spent only \$14 million specifically to prevent adolescent pregnancies, and cut family planning services by \$25 million. It still contends we cannot afford the child care services necessary to help young teenage mothers return to school to become self-supporting: Title XX child care has been cut by \$400 million. It is slashing job opportunities for single parents. Because the government is unwilling to make this investment at the front end, to prevent adolescent pregnancy, it has to spend a great deal of money supporting these young families.

CHILDREN OF THE NEWLY UNEMPLOYED 1979-1983



In 1980, 30 percent of all babies born to teenaged mothers were covered by Medicaid - and the mother and child also received AFDC in most instances. If we could eliminate - or drastically reduce - births to adolescent mothers, we could save an unknown amount of public dollars, but doubtless in the billions. More importantly, we could save the damage to the lives of the young mothers and their infants whose real cost is less in dollars than in their diminished futures. CDF will be devoting a major part of its institutional effort to preventing children having children over the next five years. But government has to play its part.

In the year 2000, 16 years from now, when many of us in our forties and fifties will be closer to or of retirement age, there will be more elderly people per worker and fewer children as we become an increasingly aging society. Each worker's productivity becomes more important. That potential third century worker is now a child.

- . One in five of them was born poor and one in four will depend on the AFDC we are cutting through the bone at some point in his or her lifetime.
- . One in two will grow up in a family where all parents work and often face inadequate, even harmful child care arrangements. We are cutting rather than expanding child care.
- . One in three has never seen a dentist, and one in seven lacks access to preventive health care. Their numbers will grow, along with costly remediative medical costs, as a result of short-sighted cutbacks in Medicaid, maternal and child health, and community health centers.
- . One in six will drop out of school before graduation and will not be able to read and write and compute well enough to read the want ads or fill out the applications for the rapidly shrinking number of unskilled jobs. Millions more are going through an education system that has not prepared itself to respond to the new demands of an information economy and increasingly competitive world. We are cutting federal public education funds for disadvantaged children.
- . One in two will grow up in a single-parent family, one-third of whom will be poor. But these are the families President Reagan is beating into the ground through severe across-the-board cuts in Medicaid, AFDC, food stamps, energy and housing

assistance, child care, and jobs.

- . Almost 600,000 a year are being born to teenaged mothers, many of whom have gone without prenatal care which greatly increases the likelihood of producing babies of low birth weight or with birth defects. Yet we are slashing the family planning funds to avoid more pregnancies, and the support services to help them remedy their mistake and avoid lifelong dependency. The Congress has not acted on H.R. 4136, which would provide every poor pregnant mother with Medicaid.
- . Some 500,000 are going unnecessarily homeless, in costly foster and institutional care, denied the nurturance and family stability that every child deserves. President Reagan would cut new protections and funds to help them grow up in a family.

These Reagan policies, like his defense policies whose true deficits will not really hit us until fiscal years 1985 through 1989, will cost many billions in future remediation (medical costs, foster and institutional care, court costs, jails); in services (welfare dependency, social services); and in lost productivity (joblessness, untrained minds, and unhealthy bodies). They will cost us more than we can measure as we stray from our historical path of becoming a more decent, caring society.

Martin Luther King, Jr., articulated our goal and task plainly when he said:

I have the audacity to believe that peoples everywhere can have three meals a day for their bodies, education and culture for their minds, and dignity, equality, and freedom for their spirits. I believe that what self-centered men have torn down, other-centered men can build up.

We do too. We also believe that now is the time for other-centered men and women to recapture our nation's deepest values and continue down the path of decency towards which we have made great strides.

Chapter 2

The Costs of Child Poverty: A Capsule History of Effective Federal Programs for Children

Cutting and freezing programs for children is foolish public policy. Reductions in programs for children are not cost effective. They may represent short-term savings, but are likely to be more than offset by the long-term costs of children who grow up to be chronically ill adults, inadequately educated and trained workers, or juvenile and adult lawbreakers. Our society can either pay now to help all children stay healthy and well nourished, in school, and a part of stable families, or we can pay much more later.

For example:

- It costs \$1,500 to provide complete prenatal and delivery services to a pregnant woman.

It costs \$1,000 a day to provide intensive neonatal care to a premature baby. The cost of hospitalization for premature babies is \$20,000 to \$40,000.

- A complete nutritional package for a pregnant woman under the Special Supplemental Food Program for Women, Infants, and Children (WIC) costs \$30 a month, and decreases the incidence of low birth-weight babies.

A lifetime of institutionalization for a child born handicapped costs between \$500,000 and \$1 million.

- It costs \$35 a month to provide a complete WIC nutritional package to an infant.

It costs about \$1,400 a week to hospitalize an infant for treatment of malnutrition.

- It costs \$380 annually to care for a child who receives regular preventive care.

It costs \$640 annually to care for a child who has had no regular preventive care.

- It costs \$48 a year at a public health clinic to provide a teenager with complete family planning services and supplies.

It costs \$5,378 to provide Medicaid and AFDC to a poor adolescent mother and child from the time of pregnancy through the baby's first year of life.

- It costs about \$20 for a doctor office visit to treat a child with strep throat.

It costs about \$3,500 to hospitalize a child whose untreated strep develops into rheumatic fever.

- It costs about \$10 to provide a baby with a complete series of immunizations.

The costs of a lifetime of institutional care for a child left retarded by a case of measles is between \$500,000 and \$1 million.

The federal programs supporting poor, handicapped, homeless, and minority children for which we advocate have a proven track record. Certainly not perfect, always needing monitoring and strengthening, they have nevertheless made a positive difference in the lives of millions of American children and families. Many of them evolved over more than a century. They represent in part the American people's commitment to reach out to vulnerable children and in part our recognition of the good sense of this investment. These programs, which the current administration has tried repeatedly to dismantle completely or weaken, have withstood the test of time. They will also withstand President Reagan. Our task in 1984 is to increase rather than slash their funding and improve rather than weaken their implementation.

We do not now and never have contended that every federal social program has been a success, just as we know every federal economic and defense program has not been a success. It is not our intention to imply that many mistakes have not been made in their implementation or that no waste has occurred in many of the programs we support. Indeed, we have been their toughest critics and have devoted our energies to their improvement. When we could not help make specific children's and families' programs work

better or well enough to justify the investment, we have advocated their elimination. What we share here is a brief history of the early roots of a few federal programs we strongly support for which we urge the continuation of our historic commitment as a nation. We also provide concrete cost-effectiveness data for a sample of these programs, as evidence that they are working well today.

Education Federal support for the nation's children began as early as 1785, when the Congress of the Confederation granted federal lands to help maintain public schools. Since then, Congress has repeatedly authorized land and money grants to ensure that future Americans will have the skills needed to keep the nation strong. The first federal department of education was enacted in 1867, not 1978.

A small selection from over 26 federal education programs enacted prior to 1960 reveals that concerns about the skills and productivity of tomorrow's citizens have traditionally been met in part through the creation of federal education programs. Since 1960, this has led to the enactment of two key federal education programs for children -- the Title I compensatory education program (now Chapter I) and the Education for All Handicapped Children Act (P.L. 94-142).

A selection of federal education programs includes:

- 1802 -- U.S. Military Academy established
- 1862 and 1890 -- First and second Morrill Acts to develop agricultural and mechanical colleges
- 1917 -- Smith-Hughes Act to support vocational education
- 1918 -- passage of the Vocational Rehabilitation Act
- 1946 -- creation of the George-Borden Act to expand federal support for vocational education
- 1958 -- the National Defense Education Act provides federal funds to public schools for programs to improve science, mathematics, languages, guidance, and counseling; higher education student loans; vocational education for technical occupations important to the national defense; and other related purposes, as America becomes increasingly concerned about Soviet military and technological advances

- 1958 -- passage of the Education of Mentally Retarded Children Act to train teachers of the handicapped
- 1965 -- enactment of Title I of the Elementary and Secondary Education Act to provide compensatory instruction in reading and mathematics for educationally disadvantaged children living in low-income areas (now called Chapter I)
- 1975 -- passage of the Education for All Handicapped Children Act (P.L. 94-142) to ensure stronger federal support for educating handicapped children

The success of the latter two programs supports a strengthened federal commitment to our children's schooling, especially for those who are disadvantaged or handicapped.

All recent evaluations of Title I of the Elementary and Secondary Education Act show that children receiving compensatory education improved their mathematics and reading scores significantly in comparison to children who need but did not receive Title I services. A national evaluation of education programs completed by the U.S. Department of Education found that Title I reading students gained 10 to 17 percent more than similar non-Title I students in grades one through three. In math, Title I students gained from 9 to 74 percent more than similar non-Title I students in grades one through six. In addition, Title I has contributed to the elimination of over 40 percent of the difference in reading achievement between 9-year-old black and white children.

The Education for All Handicapped Children Act has helped handicapped children to gain greater self-sufficiency. When the law was enacted, over 1 million handicapped children were out of school entirely and many more were not receiving the education services they needed in order to learn. Today over 4 million handicapped children are attending school and benefitting from P.L. 94-142.

Child and Maternal Health Federal support to improve the health of pregnant women and children began early in the twentieth

century, when medical advances made it clear that much suffering and permanent disability could be prevented through the delivery of preventive health care. The effort to improve health care for mothers and children began in 1912, with the creation of the federal Children's Bureau by President Theodore Roosevelt. Congress then passed the Sheppard-Towner Maternity Act in 1921 to help states promote the "welfare and hygiene of maternity and infancy" through the provision of federal funds. In 1935 this program became the Title V Maternal and Child Health Program, designed to support the creation of public health clinics for pregnant women, infants, and children.

Congress enacted the Aid to Dependent Children (ADC) Program in 1935 as part of the Social Security Act to provide families in which one parent was missing or dead with financial support to raise their children. A health provision built into ADC allowed states to count the cost of necessary health care when they calculated the benefits to be provided to poor children. The federal government paid for a share of these costs. Then in 1950, as part of the Social Security Act Amendments, Congress specifically created a medical assistance program that provided federal matching funds for health care services purchased for ADC children and other needy persons covered by other programs. For the next 15 years the federal government strengthened this program of medical assistance until in 1965 it created the Medicaid Program. Today Medicaid is the largest federal health program for mothers and children, providing payment on behalf of eligible individuals for a basic set of medical benefits. The Early and Periodic Screening, Diagnosis, and Treatment Program (EPSDT) is the special children's component of Medicaid, ensuring that children receive regular medical, dental, vision, and hearing checkups and necessary treatment. Unfortunately, some categories of needy children are still uncovered by the program.

The creation of federal health programs for mothers and children was both needed and cost effective. In the decade before

Medicaid, infant mortality rates changed very little. In the 15 years following the enactment of Medicaid in 1965, infant mortality rates fell by 40 percent, from 25 deaths per 1,000 live births in 1965 to 13 deaths per 1,000 live births in 1979. The death of mothers in childbirth also fell. Although medical technology contributed to these declines, Medicaid coverage of prenatal and delivery care made these benefits more accessible to the poor.

Today children can get the full preventive health care they need each year for about \$325, less than the cost of a two-day hospital stay. Complete prenatal and delivery services for a pregnant woman cost about \$500 less than two days of intensive neonatal care for a premature, sickly baby. The data on the cost effectiveness of preventive health care abound:

- It costs the state of Alabama about \$1,000 to provide a pregnant woman with adequate prenatal care. It costs \$20,000 per year for Alabama to pay the institutional costs for a severely handicapped child who was born disabled because the mother lacked prenatal care.
- North Dakota's total Medicaid expenditures per child were 36 percent to 44 percent lower for children who were screened for health problems than for those who did not receive timely health exams. Expenditures for inpatient hospital care were 47 percent to 58 percent lower for those who had received regular medical checkups.
- A Texas study examined the costs and benefits of providing children with preventive health care under Medicaid -- vision screening, hearing screening, preventive dental care, and the identification of congenital malformations. The study found that for each state dollar spent, more than \$8 was saved in long-term care and in the avoidance of lost income as these children grew old enough to work.
- A Centers for Disease Control study shows that the \$180 million spent over several years on a measles vaccination program saved \$1.3 billion in medical care and in long-term care by reducing deafness, retardation, and other problems.

Nutrition The federal commitment to provide food and nutritional assistance to poor children dates back at least to the "rations" authorized under President Lincoln in 1864. In this century, nutritional assistance was a key focus of the Children's Bureau, established in 1912. Commodity distribution programs like the Agricultural Adjustment Acts of 1935 and 1949 have provided food to schools and state and local welfare agencies. The School Lunch Indemnity Act of 1943, the National School Lunch Act of 1946, and the School Milk Program Act of 1954 demonstrated the federal government's concern for ensuring that school children have an adequate diet.

Out of this long history, a number of highly effective programs have evolved, including the Food Stamp Program, the National School Lunch and School Breakfast programs, the Summer Food Service and Child Care Food programs, and the Special Supplemental Food Program for Women, Infants, and Children, better known as WIC. These programs have demonstrated their cost effectiveness in improving the diets of poor children who will not grow up healthy or be able to learn in school if their bellies ache from hunger or their minds are sluggish from inadequate diets.

- A study conducted at the Harvard School of Public Health found that WIC caused a marked reduction in the incidence of low birth-weight babies by providing prescription nutrition supplements to poor pregnant women. Low birth weight is the eighth leading cause of death among U.S. children and is associated with increased incidence of disabilities like blindness, deafness, and mental retardation. The Harvard study found that the reduced incidence of low birth-weight babies needing extended hospital care saved \$3 in hospital costs for every \$1 spent in the prenatal component of WIC.
- A study by the Massachusetts Department of Public Health compared 4,000 births to WIC mothers with 4,000 births to similar women who were not on WIC. Two-thirds fewer babies died in the WIC group than in the non-WIC group.
- Data collected by numerous states and by the federal Centers for Disease Control show that WIC reduces anemia in pregnant women and young children. In fact, studies in Arizona,

Louisiana, and Oregon document that WIC increases growth in children with substandard growth as well as reducing anemia.

There are similar findings for other federal food assistance programs. A major study of the School Lunch and School Breakfast programs, conducted at the University of North Carolina, found strong evidence that participation in school food programs improved the nutrient balance in children's diets. It also improved their intake of specific nutrients that clinical evidence shows are deficient in school-age children, or which substantial numbers of school-age children consume in inadequate quantities. The study found that the nutritional benefits of the School Food Program were particularly large for low-income children.

Child Care and Head Start Federal support for child care began in a significant way with the Federal Emergency Relief Program of 1933. By 1934-35 some 1,900 child care programs, serving 75,000 children, were receiving federal support. By 1938 more than 200,000 children from low-income families had benefitted from such programs.

When America needed more workers -- men and women -- during World War II, the federal government recognized the need to support child care for working parents and enacted the Lanham Act of 1941. Use of the tax code to support child care followed, when President Eisenhower passed the dependent care tax deduction in 1954, allowing families to deduct from their taxable income part of the cost of child care that enabled them to work. Head Start was later enacted in 1964 specifically to help low-income children develop their physical, cognitive, and social skills.

These child care investments have proven effective, not only in providing young children safe environments when their parents need to work, but also in fostering children's healthy development. Some of the documented benefits of Head Start and similar child care programs include:

- lasting gains in school performance and in achievement on standardized tests and fewer demands for special education;
- improved medical care. The vast majority of Head Start children receive medical and dental screenings, treatment, and immunizations. The immunization rate for Head Start children (93 percent in 1981-82) is more than 20 percent higher than the national average for poor children;
- increased parental participation in children's development. Ten percent of Head Start parents volunteer services to the program. In addition, since 1965 Head Start has provided jobs for more than 415,000 Head Start parents and community residents. In 1982 some 75,000 people, 29 percent of whom were parents of current or former Head Start students, were employed in Head Start programs.
- A recent Census Bureau survey indicates that 36 percent of lower income and 45 percent of single mothers not at work would work if affordable child care was available.

Child Welfare Services Federal support for services to help homeless, abused, and neglected children goes back to the Basic Act of 1912, creating a Children's Bureau within the Department of Labor. Federal responsibility for these vulnerable children was also recognized as a crucial element of the Social Security Act, designed in the 1930s to provide a minimum level of decency and security for all Americans. Over the years the federal government has increasingly focused on the need to help prevent the dislocation and suffering of these children by providing federal dollars to states for services to prevent abuse and neglect, to keep families together, and to provide alternatives to costly institutional care.

In 1980, for example, Congress passed the Adoption Assistance and Child Welfare Act (P.L. 96-272) to discourage the unnecessary placement of children in foster family care and in institutional settings that can cost as much as \$60,000 per year and to encourage the growth of alternatives that can keep these children at home or provide adoptive families when other alternatives fail. The federal Department of Health and Human Services

estimated in 1979 that P.L. 96-272, if fully funded and implemented, could save over \$4 billion in out-of-home care costs in a five year period by reducing the average number of children in care by 30 percent.

In a large city, for example, it costs approximately \$4,000 a year to maintain a child in a foster family home and \$16,000 or more to maintain a child in an institution. It costs only about \$2,300 to provide the special services necessary to keep the same child at home with his or her family. The infusion of federal funds in the last 10 years has helped to support numerous, effective preventive programs:

- Efforts in Oregon to provide families with intensive short-term services as an alternative to out-of-home care have been successful for approximately 90 percent of the children involved in the demonstration program. Estimated foster care savings from the over 200 children involved have totaled just over \$2 million.
- Two years experience with a home-based service program in Dakota County, Minnesota, offered county officials the opportunity to reduce their foster care expenditures by \$600,000. This redirection of funding allowed the county to better accommodate recent cutbacks in their social service programs and meet the increased demand for services resulting from a 23 percent increase in reports of abuse and neglect.
- Efforts to provide preventive and reunification services in San Mateo County, California, resulted in a 33 percent reduction in their foster care caseload during a three-year period from 1977 to 1980. If similar services and reforms are extended to June of 1985, the net savings in San Mateo County alone are estimated to be \$1 million from 1984 to 1985.

The Juvenile Justice and Delinquency Prevention Act and Runaway Youth Act enacted in 1974 were also attempts to redirect federal resources in the area of juvenile justice toward cost-effective prevention, diversion, and creation of community-based alternatives. The runaway and shelter programs funded provide outreach, 24-hour intake, the assessment of children's needs,

temporary shelter, counseling, medical and mental health services, legal assistance, and referral and follow-up services to children who have left home and are on the streets. The cost of a single temporary shelter bed in a small community program is typically less than half that of a bed in a county or state detention facility, where many of these children otherwise end up. Keeping a child in detention can cost more than \$25,000 a year. Moreover, runaway shelters are effective at returning children to their home -- over 50 percent of the young people who arrive at runaway centers return home.

Income Support: AFDC Federal financial support for poor children and their mothers began in 1935 with the enactment of the Aid to Dependent Children (ADC) Program. While local and state government support for children and their destitute mothers goes back to our country's beginnings, the federal government did not become involved until state and local inability to meet the need had been established.

In 1909 President Theodore Roosevelt convened a conference on the Care of Dependent Children. It reviewed the varied and frequently harsh arrangements for the care of poor children, often involving indenture or institutionalization. Home relief was rare. The conference concluded that "No child should be deprived of his family by reason of poverty alone," and that public programs were needed to provide financial aid to children in their own homes. In 1909, as today, the higher cost of institutional care and the numbing impact on children of institutional life were identified as factors that made home relief a logical approach.

The conference's principles became a basis for the Mother's Pension programs established over the ensuing 25 years by all but two states. The programs, while a quantum leap forward, were marred by inadequate funding, arbitrary criteria, and discrimination. Many localities had no programs. Others barred families

with an illegitimate child or a child with an unsatisfactory school record or a tubercular parent. Not only unmarried mothers but mothers who were deserted by husbands were deemed unfit by many local programs. The program administrators gave tremendous preference to widows (81 percent of cases in 1931). And blacks and ethnic minorities suffered. Most of the families deemed "fit" to receive aid were white -- 96 percent in one study. North Carolina and Florida each had one black family in the state receiving benefits in 1931. Houston, Texas, where blacks were 21 percent of the population, had no black recipients. White ethnic recipients were more likely to get benefits -- but in lower amounts. In one-fourth of the agencies studied in 1922, Mexican, Italian, and Czechoslovakian families received smaller amounts than Anglo-Saxons.

In 1931, of the 3.8 million families with female heads in the nation (not all poor), only about 2-1/2 percent received monthly benefits, ranging from \$4.33 in Arkansas to \$69.31 in Massachusetts.

The Depression created huge new strains on these already inadequate programs. "Part of this situation is due to indifference, but in part it is due to the poverty of many local governmental units...." the U.S. Committee on Economic Security reported to President Franklin Roosevelt.

It became clear that states and localities alone could not meet the needs of poor families. Acknowledging the national responsibility to protect poor children, the federal ADC Program (now AFDC) was put into place in 1935.

While subsequent changes have failed to address the major limitations of the program -- very low benefits levels, wide variation in benefits and eligibility from state to state, and exclusion of whole categories of needy children -- AFDC remains a crucial program for the nation's poor children. It provides meagre money to relieve hunger and homelessness and allows mothers to keep their children rather than giving them up to

foster care. Even adequate AFDC grants would be far less costly than the average \$3,753.69 per child per year cost in foster family care and \$16,712.55 per child per year for institutional care. In addition, approximately one-third of AFDC recipients leave the program (cease to need assistance) each year. For the 7.6 million children in the program, AFDC provides an indispensable short-term cushion against death, departure, or long-term unemployment of a parent and sometimes allows the remaining family unit to stay together.

The Remaining Gaps Contrary to popular belief, federal social service programs do not provide generous support to the needy. And many millions of American children and families fall outside their net entirely.

Nearly half of all poor people in America are children. But millions of the families of these children receive little or no federal or other government assistance.

- The Special Supplemental Food Program for Women, Infants, and Children (WIC) reaches less than half of all eligible women and children.
- The School Breakfast Program reaches only one-third of eligible children.
- The Summer Feeding Program reaches only 16 percent of needy children.
- Head Start reaches only 18 percent of eligible preschoolers.
- In 1981, fully one-third of the children living below poverty had no health insurance. Of those who did, two-thirds had only Medicaid. Private insurance covered only about 18 percent. Without Medicaid, about four out of five children living in poverty would have been completely uninsured.
- Of the 6 million children and approximately 3.5 million women of childbearing age who do not have Medicaid, Title V Maternal and Child Health programs were able to provide comprehensive health care in 1981 to only about 1 million children and maternity care to only 384,400 women.

- Less than half of all poor preschool children are immunized against preventable diseases.
- Fifty percent of all families experiencing unemployment receive no federal assistance; 82.8 percent receive no food stamps; and 60 percent receive no unemployment insurance. In fiscal year 1976, about 74 percent of the unemployed were covered by unemployment compensation. In 1982, only 42 percent were covered.
- Only 51.7 percent of poor white families and 43.9 percent of poor black families received AFDC in 1979. Eighty-eight percent of these families were headed by females. Seventy percent of AFDC recipients were children, half of whom were under eight years of age.
- Of the households in poverty in which there is at least one child receiving free or reduced-price school lunches, over 45 percent do not receive AFDC.
- The average number of children on AFDC per 100 children in poverty has declined continually since 1976, and dropped dramatically from 71.7 per 100 in 1979 to only 52.5 per 100 in 1982.
- The number of children on AFDC dropped by over 550,000 between 1981 and 1982, although the number of children under 18 in poverty increased over 1 million during that same period.

Those that receive government assistance get minimal help. Families who receive AFDC and other benefits continue to be desperately needy. For example:

- The average food stamp recipient gets 47 cents a person per meal.
- In Texas, a poor mother and her 2 children receive \$27.00 a week or \$3.84 a day in AFDC benefits for the entire family. As of January 1983, only 11 states paid AFDC benefits of more than \$400 per month for a family of three with no other income. Nine states paid less than \$200 a month to such a family: Mississippi \$96; Texas \$117; Alabama \$118; and South Carolina \$138.
- As of January 1983, in 36 states the combined AFDC and food stamp benefit level for a family of three was less than 75 percent of the 1983 poverty level. The combined level exceeded 90 percent of the poverty level in only four states.

- In 30 states plus the District of Columbia, the maximum AFDC benefits for all family sizes are below the amounts the states themselves have identified as the minimum needed for meeting basic subsistence requirements.

What's Poverty?

- The annual poverty level for a family of four was \$9,862 in 1982. This is equivalent to \$2,500 for a family of four in 1960. The median income of all families of four was \$27,619. The poverty level equaled about 36 percent of the median income of American families.
- In 1982, 2.4 million children lived in families with incomes under \$3,000, which is less than one-third the poverty level. This is equivalent to \$750.00 for a family of four in 1960.

1.5 million were in female-headed families.

1.6 million were in white families; 840,000 in female-headed families.

700,000 were in black families; 590,000 in female-headed black families.

66,000 were in Asian and Native American families, about 24,000 of them female-headed.

About 275,000 were Hispanic, about 50,000 of them female-headed.

- Poor families average about two children per family. Their average poverty deficit -- the amount needed to bring the family up to the poverty level -- was \$1,100 a child. For example, a family of four with an income of \$7,000 a year would need \$2,862 to reach the poverty line.

Chapter 3

A Positive Program for Children: The Children's Survival Bill

"What we would like to do is change the world - make it a little simpler for people to feed, clothe, and shelter themselves as God intended them to do. And to a certain extent, by fighting for better conditions, by crying out unceasingly for the rights of the worker, of the poor, of the destitute - we can to a certain extent change the world we can throw our pebble in the pond and be confident that its ever-widening circle will reach around the world."

Dorothy Day

This chapter sets out the revised Children's Survival Bill (CSB) in its entirety along with a series of budget tradeoffs and savings to pay for it without sacrificing any vital national interest. Title I describes the specific children's programs we seek to restore or strengthen. They cost \$9 billion. Title II describes a number of non-essential federal subsidies and expenditures, and saves up to \$21.9 billion.

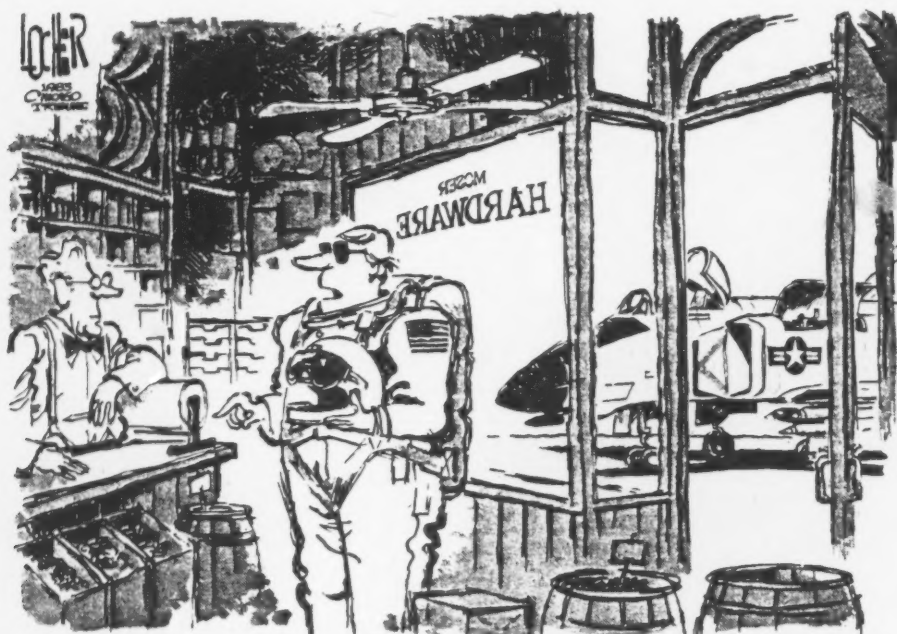
You can answer politicians and others who contend the deficit prevents them from being fair to children.

We have included in the Appendix a section called "Information about Congress." It lists all members of Congress, key committees affecting children, key points in the budget process where you need to seek to influence your representative, and a Recess schedule so that you know when your members are most likely to be back home. Their Washington, D.C., telephone numbers are also included.

It is very important that you know how your representatives actually voted on critical children's programs. Thank them if they have done well for children, and express your disappointment if they have done poorly. CDF has available a voting record How Congress Stands on Children. We hope you will order a copy.

Although this book addresses ways you can influence the federal budget for children, it is very important that you also seek to influence state and local budgets on behalf of children. In order to help you do this effectively, CDF has prepared state action materials for your use in influencing state and local elected and appointed officials on behalf of children. You can receive these materials, like the voting records, by returning the order form in the back of the book.

Please stay informed about the federal budget decisions as they are made this year by calling CDF's toll-free number (800) 424-9602, and by subscribing to our monthly newsletter CDF Reports, which covers important federal budget and legislative news that affects children in your community. You can also join our policy action network and work with CDF to influence federal policies and decisions that affect children. As a member of our network, you will receive regular, timely alerts on what is happening in Washington, D.C., that will impact on children and what you can do to help.



"I'M TOO FAR AWAY FROM THE PENTAGON TO PURCHASE THE \$2070 WASHER I NEED...
GIMME THOSE 3 FOR 69¢ REPLACEMENTS."

SENATOR ROTH'S CHRISTMAS TREE

Provided by Senator William V. Roth (R-Del.), Chairman of the Committee on Governmental Affairs.

Plastic Stool Cap

Used By:	Air Force for AWACS plane
DoD Price:	\$1,118*
Market Price:	17¢

Hammer

Used By:	Navy for the F-18 jet
DoD Price:	\$435*
Market Price:	\$17

Allen Wrench

Used By:	Air Force for F-16 jet
DoD Price:	\$9,606*
Market Price:	12¢

Wrench

Used By:	Navy for F-18 jet
DoD Price:	\$2,228*
Market Price:	\$8

Nut

Used By:	Navy for F-18 jet
DoD Price:	\$2,043*
Market Price:	13¢

Flat Washer

Used By:	Navy for F-18 jet
DoD Price:	\$387*
Market Price:	\$3

Capacitator

Used By:	Navy for F-18 jet
DoD Price:	\$395*
Market Price:	39.5¢

Screw

Used By:	Air Force for F-16 jet
DoD Price:	\$37*
Market Price:	9¢

SENATOR ROTH'S CHRISTMAS TREE
(continued)

Bolt

Used By: Navy for F-18 jet
DoD Price: \$1,075*
Market Price: 67¢

Antenna Motor Pin

Used By: Air Force for F-16 jet
DoD Price: \$7,417*
Market Price: 2.4¢

Transistor

Used By: Navy for F-18 jet
DoD Price: \$814*
Market Price: 67¢

External Screw

Used By: Navy for F-18 jet
DoD Price: \$1,000*
Market Price: 25¢

Helical Spring

Used By: Navy for F-18 jet
DoD Price: \$41*
Market Price: \$18

Antenna Puller Height Gauge

Used By: Air Force for F-16 jet
DoD Price: \$11,911*
Market Price: \$6,972 (from subcontractor, not direct supplier)

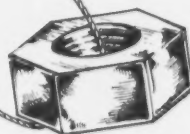
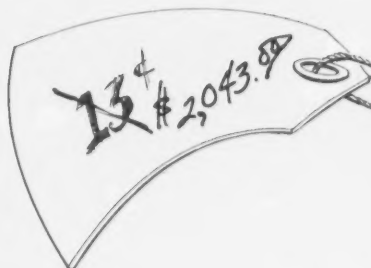
* All quoted DoD prices represent contract proposals or "not-to-exceed" prices.

Total Values of Christmas Tree

Proposed Price Spare Parts Value: \$101,119.00

Market Price Spare Parts Value: 110.25

Are Savings Possible Here?



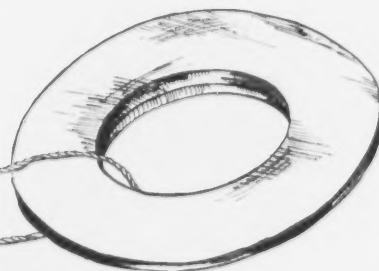
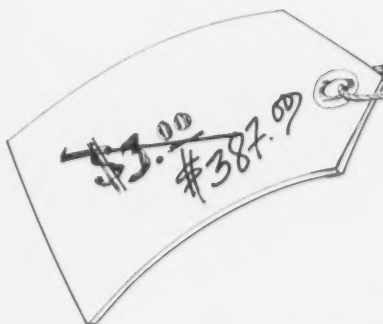
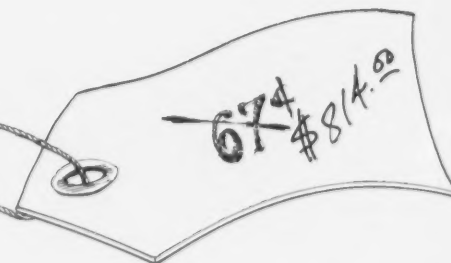
Nut

Pentagon Price: \$2,043
Market Price: 13¢



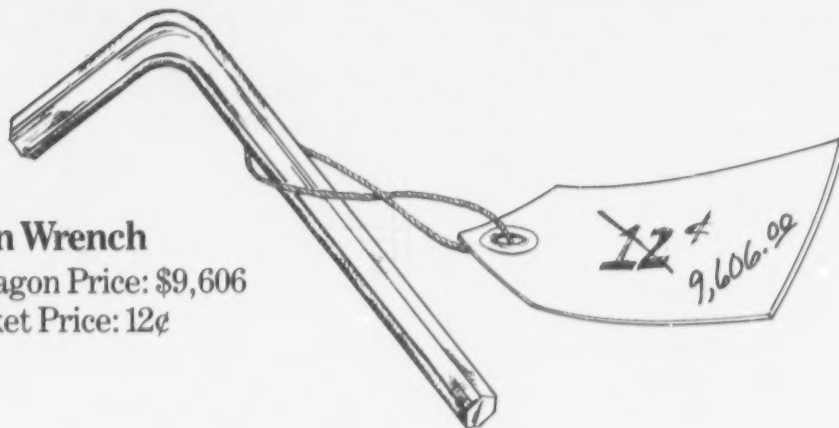
Transistor

Pentagon Price: \$814
Market Price: 67¢



Flat Washer

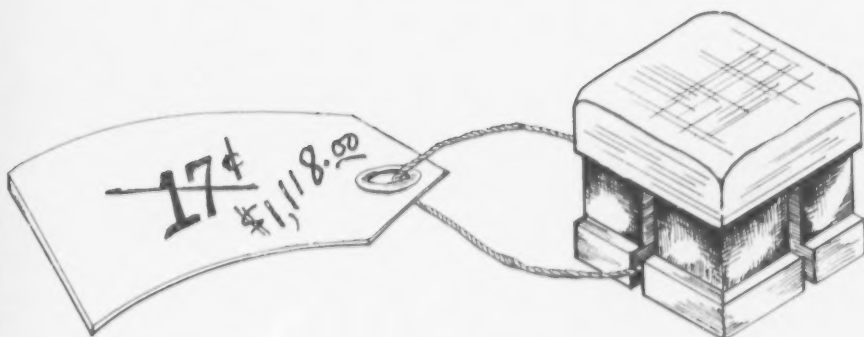
Pentagon Price: \$387
Market Price: \$3



Allen Wrench

Pentagon Price: \$9,606

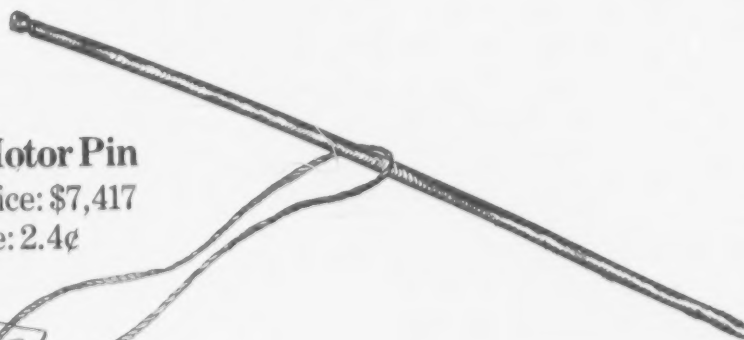
Market Price: 12¢



Plastic Stool Cap

Pentagon Price: \$1,118

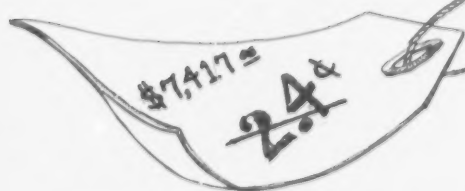
Market Price: 17¢



Antenna Motor Pin

Pentagon Price: \$7,417

Market Price: 2.4¢



The Children's Survival Bill: A Positive Platform for Fiscal Year 1985

The Children's Survival Bill was introduced in Congress in 1983 by Representative Geraldine Ferraro (D-N.Y.) and Senator Chris Dodd (D-Conn.) at the request of the Children's Defense Fund. Nearly 100 members of Congress cosponsored the bill (H.R. 1603, S. 572), which has been endorsed by numerous national organizations concerned with the fate of our children. The bill provides an affirmative agenda for children and families and serves as a rallying point for congressional action on key children's programs. It has been revised for the 1985 fiscal year to reflect 1984 budget actions and to include several additional provisions.

Title I of the Children's Survival Bill is a package of modest and incremental proposals designed to strengthen programs for children. In most cases this requires a restoration in program funding at least to those levels in place before the 1981 budget cuts. In some cases it means removing some of the anti-work, anti-family policies that were ill-advisedly adopted in 1981. In instances where the evidence of harm is especially severe, additional funds beyond those available in 1981 have been proposed. The bill focuses on children's programs that have proven successful and cost effective in the areas of child welfare, child care, health care, education, family income and social service supports, youth employment, nutrition, runaway youth, and juvenile justice.

For example, section 103(b) would restore \$28 million to community health centers, particularly those in medically underserved urban and rural areas. Studies show community health centers deliver high quality care that can reduce hospitalization rates between 25 and 44 percent. Section 102(a) would add \$208 million to the Head Start program to expand enrollment beyond the 18 percent of eligible children now participating in this highly successful program.

Title I is based on an important premise: that it is wiser to invest money in children's programs now than later. Reductions in programs for children are not cost effective. They represent small, short-term savings that will be more than offset by the long-term costs of children who grow up to be chronically ill adults, or inadequately educated and trained workers, or homeless and destitute citizens. Society will pay now or pay later. If it chooses to pay later, it will pay far more and children's lives will have been needlessly and irreversibly damaged. Because the programs singled out for restorations and increases are cost effective, imple-

mentation of Title I will actually help save the federal government money and contribute to bringing down the federal deficit. For example, it costs \$35 a month to provide a complete nutritional package to an infant under the Special Supplemental Food Program for Women, Infants, and Children. It costs about \$1,400 a week to hospitalize an infant for treatment of malnutrition. It costs about \$10 to provide a baby with a complete series of immunizations. It costs between \$500,000 and \$1 million to provide a lifetime of institutional care to a child left retarded by a case of measles.

Title II is a package of proposals to raise the revenue needed to fund Title I through cutbacks in nonsecurity related defense spending, plugs in tax loopholes, and other tax actions. Although Title II was not introduced in Congress as part of H.R. 1603 or S. 572, it is offered in recognition of the critical state of the federal budget. It also shows that cuts in military spending and in tax breaks for corporations and wealthy individuals would make it possible to increase funding for children's programs. Title I of this bill would cost approximately \$9.0 billion. Title II contains proposals to raise over \$21.9 billion.

The Children's Survival Bill was assigned to numerous congressional committees when it was introduced in Congress. Like the Economic Equity Act for women, the bill will never be acted on as a whole. However, many committees will be considering its various sections as the 98th Congress continues its session.

Support for the Children's Survival Bill as a whole and for its many separate provisions is essential in 1984. Congressional action will depend in large part on the message legislators receive from home about the desperate need for programs to help children and families. Everyone interested in the future of our nation's children—our most precious national resource—should contact members of Congress and urge their support for the Children's Survival Bill.

A section-by-section summary of the bill follows. For more information, contact Mary Bourdette or the following CDF staff members on particular sections: Title I: Section 101, MaryLee Allen; Section 102, Helen Blank; Section 103, Sara Rosenbaum; Section 104, Noe Medina; Section 105, Helen Blank; Section 106, MaryLee Allen; Section 107, Cheryl Lynch. Title II: Paul Smith.

CHILDREN'S SURVIVAL BILL

Section-by-Section Summary

Title I: Essential Preventive Programs for Children

Section 101: Child Welfare, Runaway Youth, Juvenile Justice, and Adoption.

(a) **Child Welfare Services:** Provides \$266 million (an increase of \$110 million) for Title IV-B child welfare services for the approximately 500,000 children in foster care in this country.

(b) **Foster Care:** Continues federal funding for children whose parents voluntarily place them in publicly supported foster care, provided that various protections are afforded to the parents and the children. Unless this provision is enacted, coverage of voluntarily placed children will cease in fiscal year 1985.

(c) **Child Abuse Prevention and Adoption Opportunities:** Provides for reauthorization of the Child Abuse Prevention and Treatment and Adoption Reform Act at \$44 million (an increase of \$25 million) to assist the 1.5 million children who are victims of child abuse and neglect and to promote the adoption of children with such special needs as physical, mental, and emotional handicaps.

(d) **Juvenile Justice and Delinquency Prevention:** Provides for reauthorization of the Juvenile Justice and Delinquency Prevention Act at \$200 million (an increase of \$130 million) to assist states in removing children from adult jails and non-delinquent children from locked detention facilities.

(e) **Runaway and Homeless Youth:** Provides for reauthorization of the Runaway and Homeless Youth Program at \$50 million (an increase of \$26.7 million) to allow for more shelters and support services for the 1.5 million to 2 million youth who leave or are forced from their homes each year. Federally funded centers sheltered approximately 50,000 children in 1983, and serve about 200,000 children each year.

Section 102: Child Care

(a) **Head Start:** Provides for a five-year reauthorization of the Head Start program with technical amendments to improve program quality and a funding level of \$1.2 billion for fiscal year 1985 (an increase of \$204 million). Head Start now reaches only about 18 percent of all eligible children. This provision will expand enrollment by more than 70,000 children.

(b) **Child Care Food Program:** Provides approximately \$400 million (an increase of \$110 million) for the Child Care Food Program to aid operation of the program in child care centers and family day care homes and to restore meals and eligibility levels for the almost 900,000 children this program serves.

(c) **Title XX Child Care:** Provides \$200 million especially for child care under Title XX of the Social Security Act so that many low-income families who lost child care as a result of cuts in Title XX can have access to it again.

(d) **Child Care Tax Credit:** Amends the Dependent Care Tax Credit so that it becomes "refundable" and families whose incomes are too low to pay taxes will receive a cash payment instead of a tax credit. Also raises the maximum credit for a low-income family from 30 percent to 50 percent of dependent care expenses. These two changes could benefit over 1 million children and would cost about \$700 million.

(e) **Nonprofit Status for Child Care Programs:** Amends federal tax law to make it easier for child care facilities, like after-school and infant care centers, to qualify for exemption from federal income tax under Section 501(c)(3) as long as they are open to the general public to serve children of working parents.

(f) **Aid to Families with Dependent Children (AFDC) Child Care Expenses:** See description of Section 106(e).

(g) **Information and Referral:** Provides \$8 million for the establishment of a federal program providing seed money to Information and Referral (I and R) programs. I and R programs are critical in helping families to locate child care and in maximizing the effectiveness of community child care resources.

(h) **School-Age Child Care:** Provides \$30 million for the establishment of a federal program to provide support for school-age child care. School-age child care is an increasingly critical need for approximately 10 million children who return home alone after school.

Section 103: Health Care for Mothers and Children

(a) **Maternal and Child Health Block Grant:** Provides \$483 million (an increase of \$84 million) to fund the block grant and to help many low-income mothers and children receive basic prenatal care, check-ups, immunizations, and other essential services.

(b) **Primary Care Block Grant:** Provides \$365 million (an increase of \$28 million) to fund community health centers, particularly those in medically underserved urban and rural areas. Studies show community health centers deliver high quality care that can reduce hospitalization rates between 25 and 44 percent.

(c) **Family Planning:** Provides \$156 million (an increase of \$16 million) to fund family planning services to provide essential health, planning, and educational services to over 1 million young women and mothers. Studies show this program yields savings of \$1.80 for every \$1.00 invested.

(d) **Immunization:** Provides additional funding to immunize children against polio, diphtheria, measles, tetanus, whooping cough, and mumps. Because of budget cuts and increases in the cost of vaccines, more than 2 million fewer children are receiving immunizations today.

Bill cont'd.

than in 1981. Less than half of black preschool children are immunized against diphtheria-tetanus-pertussis and only 39 percent against polio.

(e) **Medicaid:** Provides \$700 million for fiscal year 1985 to implement the first phase of a fully federalized Medicaid reform package to extend medical assistance to all pregnant women and children living below the federal poverty level. In fiscal year 1985 the provision would extend coverage to currently ineligible pregnant women and children under age one. In fiscal year 1986 coverage would be extended to include children under age six. In fiscal year 1987 coverage would be extended to include children under age 18.

(f) **Medicaid Continuation in Child Support:** Continues Medicaid eligibility for four months after termination of a family's AFDC benefits due to child support collections exceeding the AFDC benefits. This recognizes the need for a transition period while a family that loses AFDC due to child support makes alternative arrangements for health care and other supportive services. This will cost about \$21 million.

(g) **Supplemental Food (Women, Infants and Children):** Provides \$1.7 billion (an increase of \$340 million) for the WIC program so that more low-income pregnant women and children at nutritional risk may be reached through this highly successful program. This funding level would bring the number of persons reached through the program to 4 million by the end of fiscal year 1985, which is under half of all those eligible nationwide.

Section 104: Education

(a) **Education of Disadvantaged Children:** Provides \$3.83 billion (an increase of \$350 million) for Chapter I of the Education Consolidation and Improvement Act, the former Title I compensatory education program, to allow thousands of children previously cut from the program to have a chance for improved literacy and educational achievement. Only

a fraction of children eligible are currently being served by the compensatory math and reading program.

(b) **Education of Handicapped Children:** Provides \$1.32 billion (an increase of \$251 million) for the Education for All Handicapped Children Act (Part B) so that states continue to have an incentive to educate handicapped children and to prepare them to be independent, self-supporting adults.

(c) **Desegregation Assistance:** Provides \$100 million to local public school systems to assist in the transition to desegregation. In 1981 the Emergency School Assistance Act (ESAA), which provided desegregation assistance, was abolished and funding from ESAA was combined with that of smaller programs into a new block grant, Chapter II. The total funding was cut \$269 million or 35.8 percent. Twenty-nine large city school districts, enrolling 30 percent of the nation's minority children, lost 63 percent of their supplemental federal education assistance. This change would restore a portion of those cuts to the children in these and other school districts.

Section 105: Child Nutrition and Food Stamps

(a) **School Food and Other Child Nutrition Programs:** Improves eligibility and reimbursement levels for the School Lunch, School Breakfast, and Child Care Food programs. Reauthorizes the Summer Food, Nutrition, Education and Training, Section XIV of the National School Lunch Program and the State Administrative Expense Program with technical changes. The improvements and changes would benefit over 20 million children and cost approximately \$620 million.

(b) **Food Stamps—Raise Benefit Levels:** Raises the benefit levels for food stamps by approximately 10 percent. This will provide more food each month for food stamp families and offer a reasonable likelihood that the benefits will carry them through each month. Currently, benefits often run out before the end of

the month and do not even equal the Thrifty Food Plan, the minimal food plan devised by the U.S. Department of Agriculture. Studies have shown that most households whose food expenditures equalled the cost of the Thrifty Food Plan failed to obtain the Recommended Daily Allowance for basic nutrients. The cost of this provision is approximately \$1.7 billion.

(c) **Food Stamps—Work Related Expenses:** Restores from 18 percent to 20 percent the proportion of wages that a working poor family can allocate to work-related expenses and taxes; this larger amount is then subtracted from the family's total income in determining its eligibility for food stamps. Since 1981, when this deduction was lowered, 1.3 million working families have lost all or some food stamps. The estimated cost is \$50 million.

(d) **Food Stamps—State Option for Monthly Reporting and Retrospective Accounting:** Converts these burdensome and costly federal mandatory procedures into a state option and requires those states that elect retrospective accounting to provide supplemental benefits for families that experience a sudden significant loss of income and would be harmed by the state's accounting method. Estimated cost is \$0 to \$50 million.

(e) **Food Stamps—Adjustment of Asset Limit:** Raises the Food Stamp Asset Limit (including both the overall limit and the car limit) to reflect part of the increase in living expenses that has occurred since the limit was set in 1971. Because the cost of living has more than doubled since 1971, the asset limits are far more restrictive than they were in the 1970s and many unemployed persons with little or no income are now unable to qualify for food stamps. The cost of this provision is \$150 million.

(f) **Food Stamps—Child Care Deduction:** Restores the separate child care deduction in order to assist low-income working mothers who incur child care expenses. Currently, working mothers can effectively deduct child care expenses

Bill cont'd.

only if they do not also incur high shelter costs. This provision would cost approximately \$25 million.

(g) **Food Stamps—Shelter Cost Adjustment:** Raises the maximum shelter deduction for families with very high costs from \$125 to \$140 in order to undo the effect of ill-advised 1981 budget cuts. As heating bills have soared in recent years, more and more families have found it exceedingly difficult to pay their heating bills and to eat adequately at the same time. The cost of this provision is \$60 million.

(h) **Food Stamps—Reinstate Outreach Program:** Reinstates the outreach component of the Food Stamp Program to inform eligible families of the rules, requirements, and application procedures for food stamps. Many of the neediest families remain outside the Food Stamp Program. A recent study found that 40 percent of these eligible nonparticipants either mistakenly thought they were ineligible or did not know whether or not they were eligible. The outreach program was abolished in 1981. Its reinstatement would cost \$10 million.

(i) **Food Stamps—Modify Residency Requirement:** Modifies the current food stamp residency requirement to assure that homeless persons qualify for food stamps. Currently, in many areas, the most destitute individuals and families—such as homeless persons and those living in makeshift shacks or cars—are denied food stamps because they do not have a "residence." This modification would cost approximately \$20 million.

Section 106: Family Support

(a) **Social Services:** Provides \$3.3 billion (an increase of \$600 million) for the Social Services Block Grant (Title XX) to help provide home-maker services, crisis assistance, child care, and other support services for poor families, especially the working poor, who have children or other household members with special needs. This includes the \$200 million earmarked for child care by Section 102(c) of this bill.

(b) **Tax Relief for Working Families:** Reduces the federal income tax rate from 12.5 percent to 10 percent for families with incomes between \$6,000 and \$10,000 who claim the Earned Income Tax Credit. This would provide a small amount of extra income for working families struggling to survive on minimal wages. It would cost about \$325 million.

(c) **Tax Relief for Working Families with Dependent Children:** Increases the Earned Income Tax Credit (EITC) for working families by \$50 for each dependent child and by an additional \$50 for each child under age six. This change is necessary because the credit does not now reflect the number of children in a family. The provision also requires states to disregard the EITC payments or advances from countable income in determining AFDC eligibility and benefit levels. The total cost of both changes is approximately \$470 million.

(d) **AFDC State Option for Retrospective Budgeting and Monthly Reporting:** Converts into a state option the mandatory retrospective budgeting and monthly reporting requirements that were imposed on states and recipients in 1981. Provides federal matching funds for state supplements paid under these systems. These changes will allow states to respond promptly to the immediate needs of families that experience a sudden or drastic loss in income rather than making families wait two months before receiving a grant that reflects their actual need. The increased flexibility will also reduce unnecessary administrative burdens and costs imposed on the states. The maximum cost is \$100 million.

(e) **AFDC—Improving Work Incentives:** The following provisions would restore work incentives for families struggling to survive while working to support their families:

Eliminating the Four-Month Limit on Work Incentives: Allows AFDC recipients who have jobs that provide very low incomes to supplement their income with a partial AFDC grant during the full duration

of their employment. This work incentive is currently limited to the first four months of employment. The provision would cost roughly \$210 million.

Restoring the Net Income Basis for Eligibility: Removes the 1981 imposed absolute gross income ceiling (150 percent of a state's "standard of need") on AFDC eligibility. This would allow very poor working families whose gross income is below the poverty line but above the current 150 percent ceiling to continue to work and receive some AFDC and Medicaid benefits if their net income after deducting child care and work expenses meets state standards. More than 100,000 working families have lost AFDC because of the 150 percent limitation, and many have also lost Medicaid. The cost of this change is about \$75 million.

Increasing Allowable Work Expenses (Other Than Child Care): Raises from \$75 per month to 20 percent of gross earnings (up to \$175 per month) the maximum amount of actual work-related expenses other than child care that can be subtracted from earned income in calculating AFDC eligibility and benefit levels. This provision would benefit 300,000 families and would cost approximately \$25 million.

Increasing Allowable Child Care Expenses: Raises from \$160 to \$200 per month per child the maximum amount of child care expenses that can be subtracted from a family's earned income in calculating AFDC eligibility and benefit levels. The present cap, imposed in 1981, has proven too low for many families seeking to use child care centers. The provision would also alter the order of the eligibility computation so that child care costs are disregarded last when calculating AFDC eligibility and benefits. This latter change will eliminate the inequity between AFDC working recipients with subsidized child care and those who must rely on the AFDC child care disregard for their child care expenses. Currently working families who use the disregard have less cash to live on each month than

Bill cont'd.

those families provided with child care under the Title XX Social Services Block Grant. The total cost of the provision is approximately \$50 million.

(f) **AFDC—State Option for Aid for Pregnant Women and Unborn Children:** Restores the option states had once to provide AFDC to pregnant women with no other children from the point the pregnancy is medically verified, and to consider the unborn child as a child in determining the families' eligibility for and benefits under AFDC. Prior to October 1981, 30 states provided coverage from the point a pregnancy was medically verified, and nine provided coverage to the unborn child. States currently are able to provide federal AFDC coverage no earlier than the sixth month of pregnancy and no coverage is available for the unborn child. The cost for restoring this option is approximately \$20 million.

(g) **AFDC—State Option for Aid for High School and Vocational School Students Ages 18 to 20:** Gives states the option of providing AFDC to students in secondary schools or equivalent vocational programs through age 20. Currently, federal AFDC coverage is limited to children through age 17 and, at state option, students through age 18 who are reasonably expected to complete high school or a vocational program by age 19. Given the extraordinarily high teenage unemployment rate, this limitation is misconceived and in the long run cost ineffective. The cost for this option is approximately \$125 million.

(h) **AFDC—Improving Coverage of Families Under the AFDC-Unemployed Parent Program:** Provides states that opt for the AFDC-Unemployed Parent (AFDC-UP) Program with additional options to facilitate coverage of needy two-parent families. Currently, only 24 states have AFDC-UP Programs and in some states fewer than 10 percent of the unemployed families participate in the program. While AFDC-UP Programs are often described as an antidote to the anti-family aspects of regular AFDC, the categorical

limitations on AFDC-UP undercut that effect and leave many families that have no income uncovered by the program. Specific provisions include giving the states the option of eliminating sanctions imposed against the entire family. The cost for this improvement is approximately \$200 million. (It is extremely difficult to estimate this cost. CDF's estimate is based on an extrapolation of one state's experience with unemployed families that are ineligible for AFDC-UP but currently receive General Assistance.)

Section 107: Youth Employment

Provides a total of \$4.5 billion for training programs included under the new Job Training Partnership Act (JTPA), P.L. 97-300. The additional \$900 million in funds over the fiscal year 1984 level of \$3.6 billion for training programs would be targeted on Job Corps and on Title II economically disadvantaged adults and youth. The \$150 million increases for the Job Corps would provide training to over 12,500 additional young people. The \$300 million increase for Title II youth programs would provide training for 43,000 youth under JTPA, with the remainder of the increased funds to be used to provide training to adult welfare recipients.

Title II: Elimination and Reform of Non-Essential Subsidies and Expenditures

Note: Exact contents of Title II and the possibility of additional sections will be determined pending availability of additional budget information. Types of items to be added for repeal include a variety of public works projects, certain crop subsidies, the inflation increase in U.S. Information Agency budget, and excessive administrative costs in several programs.

Section 201: Excise Taxes

(a) **Luxuries:** In 1967 Congress repealed 10 percent excise taxes on jew-

elry, furs, and other luxury items. This section would reinstate the taxes, raising \$2.5 billion.

(b) **Liquor:** The liquor tax of \$10.50 per gallon has not been changed since 1951. Doubling it to \$21 would raise an estimated \$3.5 billion in FY 1985.

(c) **Boats:** This section would place a 10 percent excise tax on the sale of all recreational boats and generate an estimate \$100 million in revenue.

Section 202: Tax Expenditures

(a) **Targeting Corporate Tax Rates to Small Business:** Regardless of size, all U.S. corporations now are taxed at a reduced rate on their first \$100,000 of income. This provision would move toward reaffirming the original purpose of the tax break by continuing to provide the lower rates for corporations with a net income of under \$600,000; all others would pay a flat tax of 46 percent on all income. This would raise an estimated \$500 million in revenue.

(b) **Business Meals and Entertainment:** An estimated \$3.73 billion was lost to the Treasury in FY 1983 because the total cost of business meals and entertainment can be deducted under current law. At a time when children and families are giving up meals essential to minimal health and nutrition, fiscal austerity should also extend to business meals and entertainment subsidized by this deduction. This provision would tax only 30 percent of the cost of those meals and entertainment, raising \$1.2 billion.

(c) **Tax Write-offs of Capital Goods:** This section would cut in half the largest of President Reagan's tax breaks for corporations—allowing artificially larger tax write-offs of capital goods than can be economically justified. If the accelerated cost recovery provisions, which will cost us \$20.2 billion in fiscal year 1985, were cut in half, it would save the treasury \$10.1 billion.

(d) **Oil Extraction Tax Shelter:** This section would eliminate a tax shelter that allows oil companies and private investors to get a special "excess percentage depletion" from oil extraction, meaning that they pretend for tax purposes that they drew out

Bill cont'd.

more oil than they really did. Eliminating this shelter will save \$2.1 billion.

(e) **Capital Gains Tax on Large Estates:** People who inherit large estates are automatically exempt from capital gains tax on the long-term assets they receive. Elimination of the tax break, except between husband and wife, would save \$1.0 billion.

Section 203: Reduction of Non-Essential Defense Expenditures

(a) **Vets for Pets:** The Secretary of Defense would be prohibited by this section from providing free veterinary care for the pets of members of the Armed Forces or their dependents. About \$3.2 million—more than enough to compensate for the fiscal 1982 cutbacks in funds for immunizing children—would be saved.

(b) **Military Dining Rooms:** This section would eliminate the public subsidy—estimated at \$1.7 million for 1983—to individuals who dine in five

Pentagon dining rooms.

(c) **Personal Servants:** The \$6 million program providing personal servants (butlers, valets, etc.) to armed forces personnel would be terminated by this section.

(d) **Low-Priority Messages:** This section would require the armed forces to send low-priority messages by mail rather than teletype. This could have saved an estimated \$20 million in fiscal 1983.

(e) **Elimination of Dual Pay for Reservists:** Federal civilian employees who are reservists in the armed forces receive both civilian and military pay during their two-week annual period of active duty for training. They also receive their regular vacation entitlement. Elimination of this form of "double dipping" could have saved some \$60 million in 1983.

(f) **Military Morale Program:** The Military Morale, Welfare and Recreational Fund operates activities ranging from riding stables to golf courses to liquor stores on military facilities.

This system costs more than \$750 million in appropriated funds and another \$1 billion to \$2 billion in lost taxes and revenues because prices charged are less than free market prices. This provision would require that wherever possible these activities be operated by civilians at civilian prices. It would ensure that benefits appropriate to an employer or of special value to the military would be supported by appropriations. An estimated \$750 million would be saved by this provision.

(g) **Transportation for Dependents:** In December 1982 the Inspector General of the Defense Department audited 1,555 trips by military motor pool passenger cars. Over 27 percent of them were to transport relatives of Pentagon officials without the officials themselves. The Department of Defense buys roughly 5,000 passenger cars each year at about \$8,000 each. This section would eliminate the 27 percent of official trips in which no official was present and would save \$10 million.

BUDGET SUMMARY, FY 1985*

(dollars in millions)

Title I: ESSENTIAL PREVENTIVE PROGRAMS FOR CHILDREN		b. Education of Handicapped Children	251	b. AFDC--Improving Coverage of Families Under the AFDC-Unemployed Parent Program	200 ⁴
<u>Section 101: Child Welfare, Adoption, and Juvenile Justice</u>		c. Desegregation Assistance	100	<u>Section 107: Youth Employment</u>	900
a. Child Welfare Services	\$110	<u>Section 103: Child Nutrition and Food Stamps</u>		TOTAL	\$9,019
b. Foster Care	0	a. School Food and Other Child Nutrition Programs	620	TITLE II: ELIMINATION AND REFORM OF NONESSENTIAL SUBSIDIES AND EXPENDITURES (Additional Provisions Will Be Added in the Future)	
c. Child Abuse Prevention and Adoption Opportunities	25	b. Food Stamps--Raise Benefit Levels	1,700	<u>Section 201: Excise Taxes</u>	
d. Juvenile Justice Delinquency Prevention	130	c. Food Stamps--Work-Related Expenses	50	a. Jewelry and Furs	\$2,500
e. Runaway and Homeless Youth	27	d. Food Stamps--State Option for Monthly Reporting and Retrospective Accounting	50	b. Liquor	3,500
<u>Section 102: Child Care</u>		e. Food Stamps--Adjustment of Asset Limit	150	c. Boats	100
a. Head Start	204	f. Food Stamps--Child Care Deduction	25	<u>Section 202: Tax Expenditures</u>	
b. Child Care Food Program	110	g. Food Stamps--Shelter Cost Adjustment	60	a. Targeting Corporate Tax Rates to Small Businesses	500
c. Title XX Child Care	200 ¹	h. Food Stamps--Reinstate Outreach Program	10	b. Business Meals and Entertainment	1,200
d. Child Care Tax Credit	700	i. Food Stamps--Modify Residency Requirement	20	c. Tax Write-Offs of Capital Goods	10,100
e. Nonprofit Status for Child Care Programs	0	<u>Section 106: Family Support</u>		d. Oil Extraction Tax Shelter	2,100
f. AFDC Child Care Expenses	--2	a. Social Services	600	e. Capital Gains Tax on Large Estates	1,000
g. Information and Referral	8	b. Tax Relief for Working Families	325	<u>Section 203: Reduction of Non-Essential Defense Expenditures</u>	
h. School-Age Child Care	30	c. Tax Relief for Working Families with Dependent Children	470	a. Vets for Pets	3
<u>Section 103: Health Care for Mothers and Children</u>		d. AFDC State Option for Retrospective Budgeting and Monthly Reporting	100	b. Military Dining Rooms	2
a. Maternal and Child Health Block Grant	84	e. AFDC--Improving Work Incentives	360	c. Personal Servants	6
b. Primary Care Block Grant	28	f. AFDC--State Option for Aid for Pregnant Women and Unborn Children	20	d. Low-Priority Messages	20
c. Family Planning	16	g. AFDC--State Option for Aid for High School and Vocational School Students Ages 18 to 20	125	e. Elimination of Dual Pay for Reservists	60
d. Immunization	--3			f. Military Morale Program	750
e. Medicaid	700			g. Transportation for Dependents	10
f. Medicaid Continuation in Child Support	21			TOTAL	\$21,851
g. Supplemental Food (Women, Infants, and Children)	340			(to be increased)	
<u>Section 104: Education</u>					
a. Education of Disadvantaged Children	350				

*Note: The figures included in the Budget Summary represent the increases in spending over the fiscal year 1984 levels caused by the provisions of the Children's Survival Bill. At this time they can only be general approximations since some final operating levels and appropriations for fiscal year 1984 may change.

Entitlement (e.g. AFDC, Food Stamps, Medicaid) increases are based on available data about projected numbers of participants and present costs adjusted by a 3 percent inflation rate for fiscal years 1983 and 1984. Block grants and categorical programs are based on fiscal year 1984 appropriations.

Since none of the basic numbers is firm, our calculation of increases cannot be firm. However, our methods were aimed to overestimate the costs of Title I of the Bill and to underestimate the revenue generated by Title II.

No one should be surprised to find that other estimates differ from ours by a factor of two. These are typically small marginal changes in computational or eligibility features of entitlement programs where no good documentation has ever existed; further, many imply changes in human behavior because new opportunities exist -- such changes are both unpredictable and highly dependent upon the detailed nature of program administration.

¹The proposed \$200 million set aside for child care is part of the \$600 million increase proposed for Title XX in section 106(a).

²Cost estimates for AFDC child care expenses are contained in the cost estimates for section 106(e).

³The cost estimate necessary to adequately fund the Immunization Program was not available at press time.

⁴It is extremely difficult to estimate this cost. Our estimate is based on an extrapolation of one state's experience with unemployed families that are ineligible for AFDC-Unemployed Parents but currently receive General Assistance.

ADDITIONAL ALTERNATIVE BUDGET CUTS

Pentagon Office Furniture: Each year the Pentagon buys \$80 million of new office furniture--four times more than the rest of the federal government. We propose cutting the Pentagon's office furniture account back to merely equal the rest of the federal government. With the \$60 million a year savings, we could pay for half the first year costs of providing prenatal care for every poor pregnant woman.

Savings: \$60 million.

Training Missions on Weekends: The Navy and Air Force do not fly training missions on weekends. So in order to get in enough training on advanced planes, we buy extra planes to fly Monday through Friday: 12 extra F-14s and 24 extra F-15s. If we trained for fighting wars on weekends, we could save \$1.6 billion in extra aircraft procurement. That would provide compensatory education to 3.3 million educationally disadvantaged children.

Savings: \$1.6 billion.

Partial Reductions in Weapons Systems:

- o Bradley Fighting Vehicle. We plan to purchase 6,903 of them at \$1,706,707 each. Each vehicle cancelled would pay for complete Medicaid services for 2,200 poor children.
- o Copperhead Artillery Shell. We plan to purchase 44,706 of them at \$35,147 each. For each shell we cancel, we can provide a year of Head Start to 14 children.

- o CG-47 Aegis Cruiser. We plan to build 21 of them at \$1,054,866,667 each. Cancelling one, and investing the funds, would produce enough interest each year to provide scholarships for 50,000 low-income college students forever.
- o F/A-18 Hornet Attack Plane. We plan to build 1,377 of them at \$25,630,501 each. For each one we cancel, we can provide child care for 12,800 children of low-income working women.
- o CVN Nuclear Attack Carrier. We plan to build two of these at about \$3,400,000,000 each. Cancelling one of them would save only \$3,000,000,000. But that would pay for all the foster care needed in the U.S. for the next decade--about 100,000 children per month for 10 years.
- o B-1 Bombers. We plan to build 100 B-1 bombers at \$250 million each. These bombers are unemployable and technologically obsolete. We will replace them with Stealth bombers later. We also have over 700,000 new high school dropouts each year (almost 60,000 of them under age 16). They are unemployable and technologically obsolete. For each B-1 we do not build we can train over 30,000 dropouts to the level of permanent employability. We propose cancelling just three B-1s this year and training 100,000 young workers.

Capital Gains Provision for Timber: It takes longer to grow an asparagus plant to maturity than it takes to grow Christmas trees for market. Asparagus growers must pay normal income tax on their net profits. Tree growers pay a tax rate of 20 percent. This is a special capital gains provision for timber. We believe capital gains treatment should be reserved for the sale of land, not of its produce, and would eliminate this tax break.

Savings: \$580 million.

U.S.-Controlled Foreign Corporations: A foreign corporation controlled by a U.S. parent is exempt from tax on its earnings until it pays its U.S. parent a dividend. This creates an unfortunate incentive to locate production abroad, and is at variance with the way we tax foreign profits earned directly by U.S. corporations. We would eliminate the tax break.

Savings: \$375 million.

Bad Debt Reserves: If some banks need to trim their taxes a bit, they just move some profits into "bad debt reserves." For tax purposes, the money is assumed to be spent, even if the bank never uses any of it to cover bad debts.

Savings: \$785 million.

Research and Development for Foreign Investment: We have an enormously generous tax subsidy for corporate investments in research and development. We extend the tax break to corporations that do research in the U.S. in order to improve their productivity in other countries. This special provision is about to expire, but President Reagan wants to extend it--and thus continue to subsidize the export of U.S. jobs.

Savings: \$160 million

Deferred Taxes for Shipping Companies: Shipping companies receive a special tax deferral that they can roll over year after year, and thus postpone paying their taxes forever. In fiscal year 1984 this will cost us about \$80 million. Every industry likes to have its own special tax break. But the shipping companies get so many subsidies directly and indirectly from the federal government that they just do not need this one too. We propose to end it.

Savings: \$80 million in fiscal year 1984.

Domestic International Sales Corporations (DISCs): DISCs are an invention to exempt export earnings from tax, thus subsidizing American exports and airliners. In fiscal year 1984, they will cost \$1.8 billion, for which we do not seem to be winning many orders. Since our trading partners out-subsidize us, since foreign and domestic airlines are depressed, there seems too little return to warrant this hefty investment. The Defense Department (DOD) says it has a desperate shortage of oversized aircraft for cargo transport to use in future emergencies. We propose to help both DOD and the airlines by having DOD buy \$750 million worth of Boeing 747 freighters (which can also carry passengers) every year. DOD can lease them to foreign airlines to cover their annual operating costs, subject to recall in a U.S. national emergency. We can then cancel DISCs and perhaps take another billion off the federal deficit.

Savings: \$1 billion in fiscal year 1984.

Consumer Debt Deductions: Interest paid on consumer debts (like credit card borrowings and auto loans) is deductible. The effect is perverse. Poor people and almost all people who do not own their own homes cannot itemize and so receive nothing back. A family with an income under \$20,000 will itemize less than half the time ; one with an income of over \$200,000 will itemize 98 percent of the time. Moreover, the low- and moderate-income family will get a tax break, even if it can itemize, that is worth less than that of a wealthy family. For every \$1,000 of interest, the \$20,000 family will get back less than \$200, while the \$200,000 family will get back \$500. Finally, the tax subsidy is perverse because we are giving the wealthy other tax breaks in order to encourage them to save, and this one offsets them. The Reagan administration wants the wealthy to invest in order to create jobs for other Americans, but this counter-subsidy appears to undermine that goal. We question whether the rich deserve a greater subsidy for borrowing money to spend on consumer goods than middle- and low-income working people who need the subsidy more. We therefore propose to limit consumer interest that can be deducted to \$1,000 plus the interest on a one-car loan per working person in a family.

Savings: \$1.4 billion in fiscal year 1984.

Civil Agencies' Aircraft: Civil agencies of the U.S. government own or rent 688 aircraft, and spend \$346 million operating them. Most of the flights are legitimate: forest fire fighting, air rescue, geologic surveys, and weather flights. Some are questionable. For example, President Reagan's head of the Federal Aviation Administration J. Lynn Helms never took a commercial flight in his first eight months in office. He

spent \$400,000 flying himself and his wife around in government planes, including two flights within a week to Las Vegas and Reno. The Coast Guard keeps two planes in Washington, D.C.--at a cost of \$2.6 million per year--exclusively to tour executives. The planes were used to take the Commandant of the Coast Guard to the Constitution Ball in Boston and to the Mardi Gras in New Orleans--no doubt to keep people from falling off the floats. While there has been no total audit of the extent of waste in the use of the civil air fleet, we will accept the military estimate of 23 percent waste as a reasonable minimum. That would suggest that about \$85 million a year may be expended on unnecessary operations--just about what the President plans to save by forbidding Head Start centers from participating in the Child Care Food Program. How much more will be saved because we do not have to buy so many private jets for public officials is unknown, but probably in the billions.

Savings: \$85 million.

White House Residential Expenses: Since President Carter's last full year at the White House, residential expenses have gone up from \$3 million in fiscal year 1980 to over \$4.6 million for fiscal year 1985--a 49 percent increase in five years. The over-time hours worked by White House staff have fallen by 86 percent; contributions from nonfederal sources towards White House expenses have not increased by a penny. Just the increase from fiscal year 1983 to fiscal year 1984 is 15.2 percent or \$0.6 million. We propose to freeze the first family's residential expenses at fiscal year 1983 levels as long as the poor face new proposed housing and shelter cuts.

Savings: \$0.6 million.

Chapter 4

Child Watch

"We're looking for the heart and soul of what's happening; the humanistic side, not just the facts and figures. We are going to ask for some facts and numbers, but we also want to learn from personal experiences." Mitzi Dunford, coordinator of Utah's Child Watch project.

CITIZENS VOLUNTEER TO FIND OUT THE EFFECTS OF BUDGET CUTS ON CHILDREN

Throughout this book, the Children's Defense Fund has presented evidence of how President Reagan's budget cuts have hurt children and families. There is nothing subtle about what we found. It is there for anyone to see.

It is possible to find out what is happening in your local community as a result of budget cuts through Child Watch. Child Watch is a two-year project begun by the Children's Defense Fund in 1982 in cooperation with the Association of Junior Leagues whose goal was to have citizens volunteer to interview program administrators, service providers, advocates, and parents themselves to discover how families have been faring as a result of budget cuts and widespread economic problems. Participants ranged from members of church groups and sororities to retired teachers, wives, and working women. In addition to the Association of Junior Leagues, the collaborating organizations included Church Women United, National Council of Negro Women, Young Women's Christian Association, Southern Rural Women's Network, National Association for the Education of Young Children, Lutheran Church in America, League of United Latin American Citizens, Council of Jewish Federations, and the United Methodist Church.

Child Watch volunteers conducted over 5,000 interviews in more than 100 locations in 42 states and the District of Columbia, in every region of the country. The four Child Watch areas were

health, child care, child welfare, and Aid to Families with Dependent Children. The findings, submitted in final reports to CDF, show how children are faring under President Reagan.

Families Are Unable to Meet Their Most Basic Needs Across the country, requests for emergency services like food, clothing, utilities, and housing have risen. Ninety-seven percent of the Child Watch reports that we received noted substantial increases in requests for basic services.

- In Birmingham, Alabama, St. Andrew's Parish Soup Kitchens served 1,200 children under age 16 in 1981 and 2,500 in 1982. The kitchens expected to serve 5,000 children in 1983.
- Requests for emergency assistance rose 99 percent in Johnson County, Kansas, in 1982. The money available to meet these requests rose only 9 percent.

The Salvation Army and the Crosslines Cooperative Council told Child Watch participants in Kansas City, Kansas:

"People just do not have enough money to get through a month of basic essentials. The need is more constant and more desperate than a year ago or six months ago. This change is due to unemployment, the excessive costs of utilities, food, shelter, and clothing, and to changes in eligibility for assistance. The economy is bad and people need more help to survive." (Wyandotte County Salvation Army)

"Budget cuts have created a population of new poor who are not eligible for assistance; do not know where to go for help; and go to all the wrong places...before they finally get help. Our requests for cash assistance have increased 150 percent in the past six months. There are also more requests for food and clothing." (Crosslines Cooperative Council, Kansas City)

Agencies have been so inundated with requests for help, they cannot meet all the demands. In Tampa, Florida, for example, 12 of 15 agencies surveyed had experienced an increased demand for

services, but only one agency was able to serve more clients than a year ago. St. Vincent de Paul in Rensselaer County, New York, reported that applications for assistance had increased 50 percent; services designed to relieve families' stress had been curtailed or abolished. Agencies have been forced to make difficult choices, respond only to crisis, and have had to cut back on preventive services.

Reports of Child Abuse and Neglect Have Risen, with Greater Numbers of Families Under Stress Turning to the Child Welfare System for Help All Child Watch projects on child welfare stated that local child welfare agencies are overwhelmed with requests to assist families in crisis. Over three-quarters noted rises in child abuse and neglect reports in their communities. Close to two-thirds of the reports noted that the same number or fewer social service workers had to meet the rising caseload. Some families are simply not served at all.

- A Nebraska Child Watch project stated, "The saddest point which came to view is that marginal, low-income families are not able to get into the system until they have reached a crisis." A San Francisco Child Watch report said, "...funding cuts and increased demands for services have resulted in a crisis orientation. Only the most severe problems are being served."
- In Suffolk County, New York, the number of abuse cases has increased 50 percent since 1972. The number of caseworkers has remained the same. Since October 1981 there has been a consistent annual increase in child abuse and neglect caseloads of 10 to 15 percent. This increase is attributed both to greater public awareness of the abuse complaint procedures and to increased economic distress. Suffolk County's Child Watch report also notes, "The word prevent has been given new meaning: prevent now refers to prevention of placement of children outside of their family homes. Requests for placement into foster care are now being routinely refused without any provision of services to support the family. This has led to an increase in child abuse; the children affected...live in a kind of limbo: there is no real effort to provide family therapy or to aid reconciliation, yet no allowance for adoption in cases where it is both desired and beneficial for the child."

Child abuse is high in areas of high unemployment. In Bellingham, Washington, between November 1982 and April 1983 there was a 35 percent increase in the number of abuse and neglect cases over comparable months in 1981 and 1982. Child abuse reports rose 32 percent in Portland, Oregon, in the past year, and 69 percent in Lane County, Oregon, in 1982 alone.

Health Care Has Become a Major Problem for Low-Income Families, Particularly Those With a Recently Unemployed Parent Report after report described families unable to afford private health insurance and ineligible for Medicaid, often because both parents lived at home. These families were forced to postpone taking their children to the doctor until a situation reached emergency proportions. Emergency rooms or other crisis care have become the only source of health care for families without Medicaid, without access to Medicaid providers, and without private health insurance. A Rhode Island pediatrician described the problem this way to Child Watch participants:

- "I can diagnose an ear infection or a skin fungus in two minutes....You can have a million pediatricians volunteering to see these kids, but it's not just physician services that are required...lab work and drugs are necessary and difficult for these people to acquire....I've seen families wander from emergency room to emergency room looking for a place that will hand out free medications."

New Jersey Child Watch reported:

- "Pediatric units in hospitals in several counties reported that they are definitely seeing more minor problems that have escalated into crisis situations because treatment was not sought soon enough....A hospital...admitted a child with burns that had become infected. The mother had tried to treat the child at home first because the husband was unemployed and she felt they could not afford the \$65 emergency room fee. A local health department reported an increase in the number of children whose families were delaying medical care in this fashion because of a lack of finances."

- "One child, hyperactive and needing continuous medication, was not receiving it because his mother could not afford the full month's supply. When the condition of the child deteriorated and he began making trouble in school once more, the mother brought him to the clinic. Medical personnel began phoning drug companies, begging them to donate the other half-month's supply to the family. This clinic knows of families that cannot buy the number of pills which the doctor prescribed. They ask the physician to write the prescription for only three or four days and come back to have another one written when the medication runs out, if they can afford it. This might result in undermedicating; it also adds to the final price these poor families pay for medication since small units are more expensive to purchase."

Some Child Watch projects found that low-income pregnant women were unable to get adequate prenatal care and were often going completely without care or waiting until late in their pregnancies. The Tampa, Florida, Child Watch report stated:

"Prenatal care is not readily available in the Tampa area, especially for expectant mothers with low incomes. The majority of low-income women do not enter care until the second or third trimester of pregnancy. Women are coming in late in pregnancy, according to a local obstetrician, due to economic factors and because prenatal programs are not available. Health department prenatal clinics are full. Increasing numbers of women who start prenatal care with a private physician (two to 10 per month) are coming to the Health Department in their last trimester because they cannot afford to pay private fees. The current cost of a normal delivery is \$1,500 for the hospital and \$850 for the physician. The hospital cost for a complicated delivery may run \$3,500...hospitals are claiming huge financial losses as a result of caring for indigent obstetrical patients."

Child Watch participants also learned of families with meagre incomes in which children were either going without health care or parents were being forced to quit work and go on welfare so their children could qualify for Medicaid.

States Have Reduced Child Care for Low-Income Children and Have Made Changes that Threaten the Quality of Services Because of Federal Budget Cuts in the Title XX Social Services Block Grant, the Comprehensive Employment and Training Act, and the Child Care Food Program Most of the Child Watch projects looking at how Title XX budget cuts affected state child care services noted that fewer low-income children were being served. There were no statistics about where children who had lost services had gone; the consensus of day care providers and others was that children were ending up in less structured and less regulated care, including the care of relatives, neighbors, siblings, unlicensed caregivers, or no one at all. Care for infants, school-age children, and those from low-income families remained a serious need in most communities. In addition, many states had threatened the quality of care by increasing child-staff ratios and by firing or freezing staff in charge of licensing day care programs. Child Watch volunteers in Wichita Falls, Texas, wrote:

"In one of our interviews, we were told by a school principal of instances where lack of inexpensive day care in one of our low-income areas had caused some parents to drop their children off at school facilities as early as 7:00 a.m. and the children would stay in a nearby park until school opened. These same children returned to the park after school until the parents could pick them up....In Wichita Falls, the woman with a minimum wage job and two children could end up spending about \$3,200, or 52 percent of her annual take-home pay, on child care."

Across the country, Child Watch volunteers heard stories of eight-year-old children being left to care for younger siblings and of children being left home alone while parents worked. For example:

- A San Francisco mother stated, "I have a nervous concern about leaving my children without care. There are discipline problems and tremendous added stress in trying to adjust working hours, which increases job pressure. My real concern

is the summer, when the kids are home full time. I fear a charge of neglect. But they cut my AFDC grant and I just do not have the money to pay for child care so what can I do?" (Coleman Youth Services)

Parents Have Lost the Incentive to Work Due to Changes in Welfare that Have Denied Them Needed Benefits and Enough Money to Meet Basic Food, Health, and Child Care Needs From all over the country, reports poured in about families who were continuing to work despite any clear incentive to do so, and about families who had quit their jobs when it became impossible to support their families on meagre wages and limited or no financial assistance. The Massachusetts Child Watch project stated:

"...since the passage of the Omnibus Budget Reconciliation Act, a poor family in Massachusetts is better off remaining on welfare than if a parent works at a low-paid or part-time job....Changed AFDC eligibility rules have removed people from the AFDC rolls. This has caused a loss to these families of Medicaid benefits. Some who have had the choice between a job with no benefits and AFDC with Medicaid benefits have quit their jobs to save their medical benefits.

The stories of these two women illustrate what is happening:

- In Salt Lake City, Utah, a woman with a severely disabled husband got a job to help with the family finances. Because of her employment, she lost her Medicaid coverage. When her children became seriously ill, her small salary could not cover the family's medical expenses. She was forced to quit her job and go back on welfare to meet the health care needs of her children, although she was striving to be self-sufficient.
- In Bergen County, New Jersey, a recently divorced mother of two had a part-time job supplemented by AFDC. When her hours at work were increased for a small salary increment, her benefits were taken away. Now the family has no medical care and the children cannot attend day care because she cannot afford it.

From all regions of the country--Chicago, San Francisco, Des Moines--come reports that welfare families are running out of food stamps before the end of each month. Similarly, many parts of the country report that families are unable to meet housing and utility bills and have lost the day care that enables them to work.

Concludes the Rhode Island Child Watch project:

"Parents on AFDC and subsidized day care have been forced to leave jobs, quit school or training programs, and return full time to the welfare rolls. Parents of young children on AFDC are staying on welfare rather than working. They simply cannot go to work and make \$5,000 to \$6,000 a year and lose medical benefits in the process."

Many Women and Children Who Are Eligible for Nutritional Packages Under the Special Supplemental Food Program for Women, Infants, and Children (WIC) Are Not Being Served Because of inadequate funding, WIC programs serve only one-third of the women and children whose poverty and nutritional needs qualify them for services. Estimates of eligible mothers and children who were actually receiving WIC services ranged from 17 percent in Wilmington, Delaware, to 60 percent in San Antonio, Texas, with the majority of programs serving between 25 percent and 38 percent of the mothers and children who qualified for assistance.

- In Monroe County, Indiana, an estimated 2,700 residents are eligible for WIC, with funding available for only 1,200 people.
- A Child Watch report from Cleveland stated, "Perhaps the most alarming information resulting from these interviews were the reports of malnourished and anemic pregnant women who have not sought medical care until late in their pregnancy, and the inability of the WIC program to provide food supplements to all those who needed them. The relationship between inadequate nutrition and infant mortality, developmental problems, and mental retardation is well established."
- In Tampa, Florida, "one of the unanticipated results of the

federal budget cuts was a local ruling that women who were breastfeeding their infants were declared ineligible for WIC funds--a desperately needed source of nutritional support for poor women with infants."

If you are interested in starting a project like Child Watch in your area, want to locate a Child Watch project near you, or simply want more information on what Child Watch projects have found, please contact the division of state and local affairs at the Children's Defense Fund (800) 424-9602. Copies of the Child Watch manual and questionnaires are available for \$7.50 from CDF's publications department. See the list of publications at the back of this book for more information.

Chapter 5

Health Care

When she was eight months pregnant, Marsha Smith of Abingdon, Virginia, was rushed to Johnston Memorial Hospital. She had not seen an obstetrician. There are only two obstetricians in her county and both demanded \$650 before they would see her or deliver her baby. She and her husband could not afford medical care.

The first time Mrs. Smith arrived at Johnston Memorial, she was told she could not be admitted without a personal physician. After a legal services attorney intervened, the hospital admitted and treated her for an acute kidney infection, and released her the following day.

Mrs. Smith returned to the hospital the next day--again in acute pain and sure that she was in premature labor. She still had no money, no health insurance, and no physician. The Chief of Emergency Services refused her admission, saying he would not admit her even if she was in labor.

Mrs. Smith drove 20 miles across the state line to Bristol Memorial Hospital in Bristol, Tennessee. She was hospitalized for five days with a major kidney infection. Remarkably, she delivered a healthy baby a month later at Bristol Memorial Hospital, which bent the rule against admitting out-of-state residents. Many poor women and babies are not as lucky.

MILLIONS OF MOTHERS AND CHILDREN LACK ACCESS TO HEALTH CARE

Across the country, increasing numbers of poor women and children are going without vitally needed health care. A deep recession and high unemployment have left thousands of families in poverty and without health insurance. Federal cutbacks have eroded the limited public health services available to those in need.

Today, almost 9 million American children have no known regular source of health care; 18 million have never seen a dentist. Less than half of all poor preschool children are immunized against diseases that we know how to prevent. One in 20 pregnant women and one in 11 nonwhite women receive late or no prenatal care, although we know that health care during pregnancy significantly reduces the risk of infant death and birth defects.

Babies born to women receiving little or no prenatal care are three times as likely to die in infancy. By 1982 black infants were still twice as likely to die in their first year of life as white infants.

The health system for poor children in this country still falls short of the need for services. Despite the creation of some public health programs for the poor during the last 50 years, health care in America remains a privilege rather than a right. Quality care is often available only to those who can afford it; limited or no care is available to those who cannot. President Reagan has made this difference even more pronounced.

In the past three years, the Reagan administration's budget cuts in federal health programs have had a severe, cumulative effect on already insufficient health care for the poor. Because of cuts in the federal Aid to Families with Dependent Children Program, every state in the country has been forced to limit those mothers and children who can qualify for Medicaid, the largest federal health program for mothers and children. Some states have also made cuts in Medicaid services beyond those mandated by the federal government in order to save money. Federal cuts in the Maternal and Child Health Block Grant have led forty-seven states to cut back on services offered in maternal and child health clinics or to reduce the number of people eligible for care. Some 725,000 people, 64 percent of whom are children and women of childbearing age, have lost services at community health centers because of federal funding cuts. Finally, President Reagan has consistently underfunded the Childhood Immunizations Program even though childhood immunization rates have plummeted among infants and toddlers in the last decade.

These budget cuts have led to a nationwide drop in the percentage of pregnant women receiving prenatal care, a sharp increase in the number of children who are seeing doctors only in emergencies and have no protection against disease, and a setback in the fight to lower high infant death rates in parts of this nation.

Nationwide Reductions in Prenatal Care In fall 1983, the Children's Defense Fund collected available state vital statistics on infant death, low birthweight, and prenatal care between 1978 and 1982.

In 1982, two-thirds of the reporting states showed an increased percentage of women receiving late or no prenatal care compared to 1981. Over three-fourths of the states reflected this increase among nonwhite women. In 10 states, the rate of late or no prenatal care among nonwhite women was the worst it had been in five years.

- New York State leads the country in the percentage of nonwhite women receiving late or no prenatal care. In 1982, 21.3 percent of nonwhite pregnant women in New York received late prenatal care or none at all--twice the national average for nonwhite women.
- The District of Columbia reported 21.1 percent of nonwhite women receiving late or no prenatal care in 1982.

More than half of 35 reporting states showed a decreased percentage of women receiving care in the first three months of pregnancy: over three-fourths showed this decline among nonwhite women.

Increasing Infant Mortality Between 1981 and 1982, 20 states showed increased death rates for some or all infant populations. National nonwhite infant mortality rates remain unacceptably high, with nonwhite infants still far more likely to die than white infants.

- The nonwhite infant mortality rate in our nation's capital exceeds that in Cuba and Jamaica, which are significantly poorer countries.
- Infant death rates are particularly high in some of America's poorest cities and neighborhoods. For example, two Baltimore census tracts show infant death rates as high as 59.5 per 1,000 live births. This exceeds 1981 infant death rates in Costa Rica, Panama, Guyana, Trinidad, and Tobago and is more than double infant death rates in the Soviet Union.

Unless steps are taken to reverse the past three year's cutbacks in vital health services for the poor and abate the nationwide shortage of health care for those in need, there will be continued high infant death rates in parts of this country and a continuing gap between the health status of black and white children in America.

Health Care Is Not Keeping Pace With Growing Child Poverty The problem is obvious in Medicaid, the largest federal health program for poor mothers and children. Medicaid pays for health care for nearly 15 million children and women of childbearing age who have no or inadequate health insurance. In 1980, Medicaid reached fewer than half of American children living in poverty. The program operates like health insurance, providing payment on behalf of eligible individuals for a basic set of medical benefits. Who can receive Medicaid and what benefits they are entitled to varies from state to state. All children who receive Aid to Families with Dependent Children (AFDC) must receive Medicaid coverage for inpatient hospital care, outpatient hospital care, and physician services. States also have the option of extending Medicaid coverage to mothers and children not on AFDC, but many do not or maintain very strict criteria. Six states fail to provide Medicaid for single women pregnant with their first child. Thirty-two states do not provide Medicaid for married pregnant women in working families no matter how poor they are. Twenty-eight states do not cover very poor children living in two-parent working families.

The number of children on Medicaid compared to the number of children in poverty fell sharply between 1980 and 1982. The number of children living in poverty grew by over two million, or 18 percent; the number of children on Medicaid grew by only 317,000, or 4 percent, which means that over 1.5 million of the newly poor children had no Medicaid coverage. In addition, 700,000 poor children who once had Medicaid lost all benefits in 1982, as a result of the Reagan administration's budget changes.

Medicaid has also provided less support for those children who do qualify for assistance than in the past. By the end of fiscal year 1982, the children's share of Medicaid had hit an alltime low: from 15 percent of Medicaid expenditures in fiscal year 1978 to 12 percent by fiscal year 1982. Real dollar payments per child dropped 16 percent between fiscal years 1979 and 1982, from \$438.56 to \$369.20, meaning that fewer services were being purchased for each child. This is less than one-third of the average yearly health costs for an American.

Hospitals and physicians are refusing to treat poor women and children. Some hospitals, like the Medical University of South Carolina, have announced that they will no longer accept patients without health insurance. Others refuse Medicaid patients, or, like the Orlando, Florida, Medical Center, have established quotas for the number of people on Medicaid that they will serve. Many hospitals require payments of several hundred dollars before they will admit poor women who are in labor--this essentially bars these women from care.

Because Medicaid will pay only a certain amount for particular services and reimbursement rates are low, many private physicians are unwilling to accept Medicaid patients. A federal study showed that over 35 percent of obstetricians refuse to see any Medicaid patients. A Hartford, Connecticut, survey showed that 87 percent of the obstetricians/gynecologists in that area refused Medicaid clients. Some parts of the country report that no doctors will see those on Medicaid.

Public Health Clinics Forced to Reduce Services Public health clinics and hospitals are the backbone of the health care system for Medicaid recipients and poor people who have nowhere else to go. However, because health care remains essentially a "private" business in America, public clinics and hospitals have never had enough funding to serve all those needing care. As the demand on their limited resources grows, these programs have become less able to respond to the needs of their poor patients.

One of the most telling examples of this is the fate of Maternity and Infant Care Projects. These clinics provide comprehensive prenatal, delivery, and postpartum care to pregnant women and primary care for infants. They are funded under the Title V Maternal and Child Health Block Grant which is the only federal public health program devoted exclusively to mothers and children. It benefitted 12 million individuals in 1980. Many of the families that use Title V clinics, like maternity and infant care clinics, are not eligible for Medicaid and depend entirely on services they can obtain free-of-charge. However, because the program has always been underfunded, it provides comprehensive care to only a fraction of the poor mothers and children without Medicaid. The program is also relied upon by Medicaid recipients who must use public clinics because no private doctors in their communities will accept Medicaid patients. In many regions of the country there are no public sources of prenatal care for poor women outside of Title V's Maternity and Infant Care Projects.

Funding for maternity and infant care clinics has been drastically cut in the past three years. A survey of Maternity and Infant Care Projects in 11 states revealed the damage: About 90 percent of the clinics either had their funding levels frozen (equivalent to a 20 percent cut in light of inflation in the cost of medical care) or had their budgets reduced. Only two of 26 projects interviewed were still able to cover hospital costs for most of their clients in need. Over 30 percent of the clinics did not provide routine well-child care to infants. Some clinics no longer provided any medical care to pregnant women. Although 84 percent of the projects reported an increasing demand for services, 50 percent had been forced to turn away patients.

Stalled Progress in Meeting Surgeon General's Health Goals To see how individual states have done at lowering infant mortality rates and the incidence of babies born underweight, the Children's Defense Fund compared each state's rate of progress in these two areas and for prenatal care to the Surgeon General's modest 1990 goals.

The U.S. Department of Health and Human Services issued the following objectives for the nation in 1980:

- By 1990, 90 percent of pregnant women should begin medical care in the first three months of pregnancy, because of the high correlation between maternity care and healthy babies.
- By 1990, low birthweight babies should constitute no more than 5 percent of all live births, with no racial or ethnic subgroup exceeding 9 percent of all live births.
- By 1990, the U.S. infant mortality rate should not exceed 9 deaths per 1,000 live births, with no racial or ethnic subgroup exceeding 12 deaths per 1,000 live births.

Examining the rate of progress in 35 states and the District of Columbia during the past five years, we concluded that if the current level of effort is maintained, the following will be true in 1990:

- 94 percent of reporting states will not meet their goals for prenatal care for white mothers and infants; 95 percent will not meet their goals for nonwhite mothers and infants.
- 80 percent of reporting states will not meet their low birthweight goals for all babies; 78 percent will not meet their goals for nonwhite babies.
- 32.5 percent of reporting states will not meet their goals for reducing infant deaths for all babies; 55.2 percent will not meet their goals for reducing infant deaths for nonwhite babies.

Of the 25 states that should reach their goals for reducing infant death rates by 1990, most will do so by saving babies' lives in the most expensive fashion: by spending millions of dollars on intensive neonatal care for sickly infants rather than on proper care during pregnancy to ensure the birth of healthy babies.

Despite the high infant mortality rates, the Reagan administration and its supporters have cut back on services for expectant mothers and on financing necessary for hospital care for sick newborns. Their policies over the past three years have directly contradicted what the national vital statistics show: that there is a growing health care crisis for our young which requires immediate attention.

Furthermore, as many of the nation's babies grow into children with special needs, the programs designed to meet those needs--Medicaid, Community and Migrant Health Centers, Title V--are unable to do so because their funding has also been seriously curtailed.

PRESIDENT REAGAN HAS WEAKENED FEDERAL HEALTH PROGRAMS SINCE 1981

Medicaid Because of Medicaid's complex structure, the administration's dollar proposals do not alone reflect the damage the program has borne. Medicaid is an entitlement program; the federal and state governments guarantee that together they will pay for certain services for all individuals who fit the criteria for receiving Medicaid. President Reagan initially proposed ending Medicaid as an entitlement program by placing a dollar cap on the federal share in the program beginning in fiscal year 1982. Once this cap was reached, the federal government would no longer help pay for any Medicaid services that year, regardless of need. Congress rejected this proposal and instead substantially reduced the amount of federal money paid to states under the Medicaid formula. This reduction harmed children, because as states had fewer federal Medicaid dollars to spend, many cut back on services and stiffened eligibility requirements.

The Reagan administration's cutbacks in AFDC in fiscal year 1982 harmed children even more. Because Medicaid eligibility for children is usually tied to AFDC, hundreds of thousands of children and mothers who lost their AFDC benefits also lost Medicaid.

The Reagan administration sought additional ways to decrease poor children's already minimal access to health services under Medicaid. For example, the administration's fiscal year 1983 budget cutbacks would have required all mothers and children on Medicaid to pay for part of their health care costs, regardless of how poor the mothers and children were. Congress rejected this proposal, known as "copayments," and exempted children and pregnant women from any responsibilities to pay for the cost of their health care under Medicaid.

The Title V Block Grant, Community and Migrant Health Centers, and Family Planning Every year since 1980, the Reagan administration has proposed severe cuts in these programs, which can be seen in the table at the end of this chapter. The administration has also tried to abolish each of these programs at least once by including them in various block grant proposals with absolute funding cuts.

The Reagan administration proposed two general health block grants to states for fiscal year 1982 which would have abolished all basic preventive health programs for mothers and children. These block grants were rejected by Congress. However, Congress did create a block grant of its own, the Title V Maternal and Child Health Block Grant (MCH), and cut its funding by 18 percent from fiscal year 1981 to fiscal year 1982. This block grant, which all 50 states have implemented, combined the previous Title V Program with six other specialized programs: Sudden Infant Death Syndrome, Lead Paint Poisoning Prevention, Genetic Screening, Hemophilia Treatment, Adolescent Pregnancy Services, and Supplemental Security Income Rehabilitation Services for Disabled Children.

The Reagan administration proposed adding the Special Supplemental Food Program for Women, Infants, and Children (WIC) to the MCH Block Grant for fiscal year 1983, cutting its funding by 35 percent. Congress rejected this proposal.

The administration has also proposed including community and migrant health centers in a block grant to states. In 1981 there were 827 community health centers and 128 migrant health centers providing high quality and cost-effective care to families in the migrant stream and those in the most medically underserved urban and rural areas of the nation. In fiscal year 1982 the administration proposed cutting back these services by including the Community and Migrant Health Centers and Family Planning programs in a block grant and cutting their federal funds by 25 percent. Congress rejected this block grant in fiscal year 1982 and again in fiscal year 1983, when the administration proposed it a second time at a slightly higher funding level. In fiscal year 1984 the administration tried a third time to include Family Planning in a block grant. Congress again said no.

Immunizations The Reagan administration proposed a deep cut in funding for Childhood Immunizations in fiscal year 1982, when it recommended repealing the program and including it in a block grant. Congress rejected this proposal. In fiscal years 1983 and 1984, the administration proposed to seriously underfund the program. Congress appropriated \$42.1 million in fiscal year 1984, the administration's request.

WHAT PRESIDENT REAGAN PROPOSES FOR FISCAL YEAR 1985

The Reagan administration's health budget for fiscal year 1985 continues to try to weaken the underpinnings of the public health programs that are the providers of the last resort for the uninsured and the poor--Medicaid, the Title V Maternal and Child Health Block Grant, Community and Migrant Health Centers, Family

Planning, and the Special Supplemental Food Program for Women, Infants, and Children (WIC). Their budget would further reduce health care for poor women and children by cutting back on the number of women and children who are eligible for Aid to Families with Dependent Children, thereby eliminating their eligibility for Medicaid.

The administration's proposals include:

- cutting an additional \$3.338 billion out of Medicaid in fiscal years 1985, 1986, and 1987. The administration would further reduce federal funds to states already operating minimal programs. It also proposes mandating that Medicaid recipients pay for part of the cost of medical services (known as costsharing). Congress considered and rejected this proposal in 1982 and specifically exempted pregnant women and children from any costsharing requirements under Medicaid. The proposed Medicaid cutbacks are particularly severe in light of the programs's importance in providing maternity and newborn care and of the increased percentage of women receiving little or no prenatal care in recent years.
- providing a minimal \$8 million increase over the fiscal year 1984 appropriation level for the Maternal and Child Health Block Grant. This increase will not even permit the program to keep pace with inflation, much less expand to meet the needs of the growing number of women in America going without adequate prenatal care.
- minimally raising funding levels for Community Health Centers and once again trying to include Community Health Centers in a block grant with Migrant Health Centers, the Family Planning Program, and Black Lung Clinics. The proposal to abolish community and migrant health centers and family planning was sent to Congress last year and never considered. Furthermore, the proposed funding increase falls far short of the amount needed for Community Health Centers to keep pace with inflation, much less to serve new populations.
- providing funds for state immunization programs and for the vaccine stockpile that fall far short of the amount needed to maintain current efforts. The requested increase of \$1.5 million for these activities is far below the amount needed to maintain current programs. Moreover, current efforts are inadequate. Less than half of all poor children are immunized against preventable diseases. Only 48.4 percent of black children are immunized against diphtheria-pertussis-tetanus; 39.1 percent against polio.

- cutting WIC services for between 500,000 and one million low-income pregnant women, infants, and children at nutritional risk. The administration has failed to request the full amount of supplemental funding needed to carry the WIC program throughout fiscal year 1984 at its current caseload of 3.0 million people. As a result, hundreds of thousands of pregnant women and young children would lose WIC services. The administration has also requested \$200 million less for WIC for fiscal year 1985 than the administration's own budget acknowledges is needed to maintain the current caseload. This means that caseload cutbacks started in fiscal year 1984 would continue into fiscal year 1985.

HEALTH: FUNDING AND BUDGET REQUESTS, FY 1981-FY 1985
(in millions of dollars)

program	FY 1981 actual	FY 1982 proposed	FY 1982 actual	FY 1983 proposed	FY 1983 actual	FY 1984 proposed	FY 1984 actual	FY 1985 proposed
MCH Block Grant	411.0	347.5	373.0	347.5	373.0	373.0	398.0	407.0
Community Health Centers	320.0	-- ^a	280.0	-- ^a	295.0	-- ^a	337.0	-- ^a
Migrant Health Centers	43.0	-- ^a	38.1	-- ^a	38.1	-- ^a	42.0	-- ^a
Family Planning	182.4	-- ^a	124.0	-- ^a	125.0	-- ^a	140.0	-- ^a
Immunization	31.0	-- ^a	28.3	28.9	39.3	41.9	41.9	46.0
			Change, FY 1984 Current Policy to FY 1984 Actual ^c			FY 1985 Proposed (millions)	FY 1985 Change from FY 1985 Current Policy (millions)	FY 1985 Proposed (percent)
			(millions)	(percent)				
Medicaid		- 1,622.0	- 7.4	23,205.0	22,138.0	- 1,067.0	- 4.6	

^a Proposed to repeal, include in block grant; funding would have been cut by 25 percent in FY 1982, increased by less than 1 percent in FY 1983, and remained level for 1984; the block grant proposed for FY 1985 would show a slight increase of 2.2 percent.

^b Proposed to repeal, include in a Preventive Health Block Grant.

^c This column shows the change in actual FY 1984 expenditures from pre-Reagan administration current policy--that is, from what would have been spent in FY 1984 had the entitlements remained as they were when his administration took office. The reductions are derived from Congressional Budget Office estimates of the reductions (in FY 1984) due to changes enacted in the first two years of the administration. For further details of these past changes, see CDF's A Children's Defense Budget: An Analysis of the President's FY 1984 Budget and Children, Appendix.

Chapter 6

Food Assistance

"My husband was working at Fellows Gearshaper for five and one-half years when he got laid off. With this layoff we lost our medical insurance. I was pregnant with twins, and the doctor wouldn't let me work any longer (I was working at Walpole Bee)... We had to sell our house because we could not make the payments... We also lost our car. My three children are in fair to good health, but that's due to not paying rent or utility bills so I could put food in their mouths. I have lost ten pounds, for I feed my husband and kids first....

We have a hospital bill for \$35,000 [sic] for the birth and stay of our twins... I have two doctors who won't see my children anymore because I owe them \$350.00 because we had no money to pay. We have a \$700.00 bill at Springfield Hospital due to a medical emergency... We are two and one-half months behind on rent and electric bills. I feel soon we will be out in the cold with no roof over our head. It's not because we are unwilling to work; we have tried and tried to find work... My husband works part time and brings home an average of \$100.00 a week, and he was told that the job will be ending within three weeks....

In July or August, Children and Youth clinicians said my children were missing vitamins in their diet and gave me a referral to food help. They gave me one bag of canned goods. I was so embarrassed.

We receive \$160.00 in food stamps, and they only last two and one-half weeks. I try to make them go as far as anyone could. We had to go to food handout places and that is also embarrassing. My mother-in-law has been helping us out with food at the end of the month, but she can't go on doing this, and I don't know what we are going to do." (An Acworth, New Hampshire resident, presenting testimony at the New Hampshire Hunger Hearing for the Citizens Commission on Hunger in New England, November 22, 1983.)

HUNGER IS GROWING AMONG AMERICAN CITIZENS

Across America, hunger is growing. A series of studies issued over the past year document this in no uncertain terms -- not just with anecdotes, but with solid data.

In May 1983 the Center on Budget and Policy Priorities issued a carefully designed statistical survey of 181 emergency food agencies that were randomly selected in 16 locations. The results showed that in over half the agencies surveyed, the number of persons seeking emergency food aid rose by more than 50 percent from February 1982 to February 1983. In nearly a third of the programs surveyed, the number of persons seeking aid more than doubled. The survey also found that most agencies either had to turn people away or to restrict the number of times they could be served.

The following month, the General Accounting Office (GAO) issued a report that documented significant increases in the numbers of people seeking food aid. GAO concluded, "an unmet need remains." Similarly, a study commissioned by the U.S. Department of Agriculture which surveyed emergency food agencies found "that the number of recipients is increasing at a frenetic pace and that the emergency food available for distribution is quickly depleted." In February 1984 the Citizens Commission on Hunger in New England (a private commission of university researchers, physicians, and religious leaders) concluded extensive field research in New England and issued a report showing major increases in hunger in that region.

One finding common to all these studies was that a significant number of those in need are families on food stamps whose food resources run out before the end of each month. Food stamp benefits now average just 47 cents per person per meal.

A new study issued by the Food Research and Action Center (FRAC) in November 1983 confirms the problem. Of over 1,000 persons surveyed by FRAC at emergency food pantries, 62 percent received food stamps, but 96 percent of these persons reported that their food stamps failed to last through the month.

Serious Health Problems Among Poor Children Recently, these studies have been buttressed by more disturbing evidence --

clinical evidence of serious health problems among poor children who lack enough to eat.

The Massachusetts Department of Public Health issued a major study last fall which found that between 10,000 and 17,500 poor children in Massachusetts are stunted, due largely to chronic malnutrition. Nearly one in five low-income children studied in the Massachusetts survey was either stunted, anemic, or abnormally underweight.

Other evidence comes from nutritional studies conducted in Chicago and New York. Between the summer of 1981 and the summer of 1983, Cook County Hospital in Chicago experienced a 24 percent increase in the number of children admitted for failure to thrive, diarrhea, or dehydration -- conditions often linked to inadequate nutrition. Follow-up studies found that 30 percent of all children coming to the hospital's emergency room had abnormally low growth, and that half of these "low-growth" children suffered from inadequate diets.

Finally, surveys conducted by doctors and medical students in New York City found that the average food intake of persons seeking food aid was 1,200 calories a day, which is below the level recommended by the National Academy of Sciences as necessary for good health. These surveys also found that persons seeking emergency food aid were spending an average of 70 percent of their incomes on food, but had incomes so low that they could not eat adequately.

These data are particularly disturbing. They show that poor children are particularly vulnerable to the effects of inadequate nutrition, and that the problem among poor children appears to be growing. Data collected from soup kitchens in Boston also shows that children now constitute a larger proportion of those served at soup kitchens than at any other time in recent memory.

The federal food aid programs were designed to alleviate these problems by allowing poor families, children, and elderly

persons to obtain more adequate diets. But federal food programs today are in trouble. They have been cut back at the time when they are needed most. Millions of the poor remain outside these programs. Millions of others who are enrolled in these programs receive benefits too low to provide adequate food and nutrition throughout the month.

Food Stamp Benefits Reduced The Congressional Budget Office (CBO) reports that the Food Stamp Program has been cut \$7 billion from fiscal years 1982 through 1985 -- and \$2 billion in fiscal year 1984 alone. Despite administration claims that it has protected the truly needy, approximately two-thirds of the reductions were achieved by reducing benefits for households living in poverty. Many of the remaining savings came from reducing or terminating benefits for families whose gross incomes are a modest amount above the poverty line, but whose disposable incomes (after taxes, work expenses, and unusually high shelter costs) fell to below-poverty levels. Savings from new initiatives to reduce fraud and error have been marginal.

Overall, one million recipients were dropped from the program by the Reagan budget cuts and nearly 20 million others have had benefits reduced since 1980.

Another problem with the Food Stamp Program that President Reagan has made worse is that over one-third of those who are eligible for food stamps do not receive aid, often because they are unfamiliar with the program's eligibility requirements and do not think they are eligible. Today the program serves 21 million people, but even the cautious and conservative Presidential Task Force on Food Assistance estimates that 11 million to 13 million more people are eligible for the program and fit the administration's definition of truly needy. In 1981 Congress, at the Reagan administration's urging, terminated all federal funding for outreach efforts to help people learn about the program and abolished a requirement that states conduct outreach to inform people about eligibility criteria.

This problem is particularly serious given the current evidence about hunger in America. For example, the same Massachusetts health department study that found up to 17,500 stunted children in Massachusetts also found that 32 percent of the low-income children surveyed who were eligible for food stamps were not getting this assistance. In addition, because of the recession and high unemployment, many more people have become newly eligible for food stamps who are unlikely to know about the program and its requirements and are therefore going without help.

Those who do receive food stamp benefits also face serious problems. These households are poor, with average gross incomes (including federal and state welfare assistance) of just \$4,275 a year and average cash assets of \$62. Their already limited income for food and other essentials has been going down in real dollar terms. During the 13-year period from 1970 to 1983, federal Aid to Families with Dependent Children (AFDC) benefits plummeted a staggering 36 percent after adjustment for inflation. In addition, most food stamp recipients are outside the work force and are not helped much by improvements in the economy. Nearly three of every four food stamp recipients is a low-income child, a female head of a household with children, an elderly person, or a disabled person. Poor children alone constitute nearly half of all the recipients.

Cuts since 1980 in an array of other basic support programs -- made largely at the Reagan administration's urging -- further reduced the disposable incomes of food stamp families and the money available for food. Due in part to cuts in unemployment insurance, fewer than two out of every five jobless workers now receives unemployment insurance (compared to nearly four of every five during the 1975 recession). All 3.5 million families in public and subsidized housing now must pay a larger share of their income for rent, as a result of cuts in low-income housing programs. Because of a freeze in low-income energy assistance

funds at a time when natural gas prices have soared, millions of poor families must now spend a much larger share of their small incomes to heat their homes. Many of these families must also pay more of their medical costs out of their own pockets, due to cuts in Medicaid.

Children Lose Meals Despite impressive evidence of the substantial contributions that child nutrition programs make to improving children's nutritional status, these programs have also been cut heavily. The four basic child nutrition programs -- the School Lunch, School Breakfast, Child Care Food, and Summer Food programs -- have been reduced 29 percent over fiscal years 1982 to 1985. Funding for these programs has been cut by over \$5 billion during this four-year period.

As a result of the deep child nutrition reductions enacted in 1981, the number of children receiving school lunches each day fell by nearly 3 million. The number of low-income children getting free or reduced-price school lunches dropped by close to 1 million. Twenty-seven hundred schools dropped out of the program, and free lunches are no longer available to poor children who attend these schools.

The school lunch cuts were made largely by reducing the income limits for free and reduced-price lunches and by cutting back on federal contributions to support the lunch program. The steepest cuts were made in federal support for reduced-price lunches served to near-poor children. The number of near-poor students receiving these lunches has fallen substantially, as a result.

In the School Breakfast Program, which was cut in similar ways, the adverse effects on poor children have also been large. Half a million fewer children now participate in the breakfast program (the decline is smaller than in the lunch program because the breakfast program is only about 15 percent the size of the lunch program). Two-thirds of the decline in school

breakfast participation resulted from fewer low-income children receiving the breakfasts.

The Child Care Food Program, which helps defray the cost of meals provided to children in day care, also felt the ax. Nearly \$130 million a year was cut, as federal support for meals served in day care centers and homes was reduced. Day care centers and homes may now serve a child only two meals and a snack a day, regardless of whether the children are kept in care for more than eight hours. The combined effects of cuts in this program and cuts in other federal programs providing support for low-income day care facilities (such as the Social Services Block Grant and the Comprehensive Employment and Training Act), have forced some day care facilities to close. Many other facilities have raised fees charged to low-income parents, reduced the number of children in care, or lowered the quality of care provided.

Finally, the Summer Food Program, which continues the school lunch program in some low-income areas during summer months when school is out, also suffered a major contraction. All summer feeding programs previously operated by churches and religious organizations, YMCAs and YWCAs, boys' and girls' clubs, settlement houses, and similar nonprofit organizations were terminated. Only programs operated by school systems or local governments were allowed to remain in operation. The result was the termination of summer lunches for 500,000 low-income children who had been served in previous summers by churches and nonprofit organizations.

Pregnant Women and Children Unserved Pregnant and nursing women, infants, and young children who are low-income and at nutritional risk are eligible to receive prescription food supplements and nutrition counseling through the Special Supplemental Food Program for Women, Infants, and Children (WIC). Although the Reagan administration's repeated efforts to cut

this program have failed, the program is still underfunded and reaches only about three million people, or one-third of those who are eligible. Several hundred U.S. counties have no WIC program at all, and many other counties maintain waiting lists and have to turn away eligible mothers and children who seek assistance.

HOW PRESIDENT REAGAN HAS WEAKENED FOOD ASSISTANCE PROGRAMS SINCE 1981

Food Stamps President Reagan has proposed harmful reductions in the Food Stamp Program over the past three years. Among the reductions that have been enacted are:

- Across-the-board reductions in benefit levels, achieved by setting the benefit levels below the cost of the Agriculture Department's cheapest, "bare-bones" food plan -- a step never taken before in the program's history. (The food plan in question, the "thrifty food plan," is itself inadequate. USDA's own studies show that five of every six families whose food expenditures equal the cost of the thrifty plan fail to obtain the Recommended Daily Allowances for the basic nutrients.)
- Additional reductions in benefits for all working families, achieved by reducing the proportion of earnings deducted for taxes and work expenses. This action was taken despite the fact that IRS data show families at the poverty line are now required to pay significantly larger shares of their incomes in federal taxes than was true in the past.
- Major reductions in benefits for those low-income families who have their heating costs reflected in their rents (rather than being billed separately for heating costs).
- Termination of benefits for 875,000 persons whose gross incomes generally fell in the 130 to 150 percent of poverty range, but whose disposable incomes were below the poverty line.

Harsh as these proposals were, the effects would have been far more severe if the administration had succeeded in getting

Congress to approve the massive additional food stamp cuts it requested. Among the proposals Congress rejected were:

- A 1981 administration proposal to cut food stamp benefits for all poor families whose children attended schools with school lunch programs -- a proposal that would have reduced benefits for 43 percent of all food stamp families with gross incomes below half the poverty line;
- A series of proposals offered in 1982 that would have reduced or terminated benefits for 85 percent of all food stamp households and cut benefits an average of \$700 a year for all low-income working families receiving food stamps;
- A series of 1983 proposals that according to the Congressional Budget Office would have reduced benefits for four of every five food stamp households with gross incomes below half the poverty line.

Child Nutrition In 1981 the President proposed, and Congress accepted, deep cuts in every child nutrition program. The School Lunch Program was cut by 30 percent, or \$1 billion a year. The School Breakfast Program was cut by about 20 percent. The Child Care Food Program was cut by 30 percent, or nearly \$130 million a year, and the Summer Food Service Program was cut by about 25 percent.

The following year the administration proposed eliminating the Summer Food Program and that part of the Child Care Food Program operated in family day care homes. The remaining part of the Child Care Food Program, operated in day care centers, and the School Breakfast Program would have been combined into a block grant with a 20 percent cut in funding, on top of the funding cuts enacted in 1981. Congress rejected these proposals.

That same year the administration and the governors spent much time discussing a "New Federalism" initiative that would have included terminating the federal role in all child nutrition programs and turning these programs over to the states.

Both houses of Congress adopted nonbinding resolutions calling for the federal government to retain primary responsibility for child nutrition programs.

In 1983 the administration proposed another block grant that would have consolidated the School Breakfast, Child Care Food (except for the Head Start component), and Summer Food Service programs and cut their funds by \$217 million, or 29 percent. The new block grant would not have made allowances for food price increases in future years and would have served a finite number of children instead of all those meeting certain eligibility criteria. Congress rejected this proposal.

The administration also proposed a six-month delay in the cost-of-living adjustments in school lunch reimbursements and an increase in the cost of reduced-price lunches for near-poor children in fiscal year 1984. Families would also have been required to apply for free and reduced-price lunches through food stamp offices, making the procedure much more burdensome and increasing the likelihood that families would drop out of the program. Congress also rejected these proposals. However, an attempt by members of Congress to go even further and restore about one-tenth of the Reagan administration's child nutrition cuts was not successful. It passed the House by about a 200-vote margin but stalled in the Senate when the administration indicated it would veto the bill.

WIC WIC is one of the few social programs that has not been cut during the Reagan years. Although the administration has repeatedly tried to cut this program, these efforts have failed. In 1981 the administration proposed to cut the program by approximately 35 percent and to remove 700,000 low-income women, infants, and children from the program, despite the fact that medical professionals had found them to be at nutritional risk. Congress rejected this proposal.

In 1983 the administration again tried to cut funding for WIC by over 30 percent and to repeal it as a separate program and merge it with the Maternal and Child Health Block Grant. Congress rejected this as well.

Instead, Congress has provided sufficient funding in recent years to enable WIC to experience some growth. WIC is not an entitlement program, however, and can reach only the number of women, infants, and children that its appropriation permits. Despite additional funding, which Congress provided for WIC over the administration's objections, the program reaches only about one-third of the mothers and children who need it.

WHAT THE REAGAN ADMINISTRATION HAS PROPOSED FOR FISCAL YEAR 1985

Despite the serious hunger problem that faces the nation, the administration has proposed major reductions in food assistance programs for the fourth consecutive year. The administration's budget calls for reductions of approximately \$850 million in food aid programs next year.

The budget ignores virtually all of the recommendations of the President's Task Force on Food Assistance, which recently called for modest increases in food aid to deal with what the task force somewhat grudgingly acknowledged to be a significant hunger problem in the country. Instead, the budget proposes a series of cuts that directly conflict with the recommendations of the administration's own hand-picked and highly conservative task force.

The WIC Program The administration's new budget contains especially deep reductions in the WIC program. The cuts would occur in both fiscal years 1984 and 1985.

The deepest cuts would occur in the latter months of fiscal year 1984, when between 500,000 and one million low-income

pregnant women, infants, and children at nutritional risk would be terminated from the program. This would occur because the administration has failed to request the full amount of supplemental funding needed to carry the WIC program throughout fiscal year 1984. Substantial cuts would also occur in fiscal year 1985.

Last fall, Congress made clear that its WIC policy for fiscal year 1984 was to fund the program at the level needed to maintain the year-end fiscal year 1983 caseload of 3.0 million persons. Congress appropriated \$1.06 billion for the WIC program for the first 9-1/3 months of the fiscal year (October 1, 1983 to July 10, 1984). Congress made clear that it expected to provide a supplemental appropriation at a later date to fund the program for the final months of the fiscal year, and Congress explicitly directed the administration not to make any reductions in WIC caseloads. In accordance with this legislation, WIC participation has been maintained at the 3 million level since October 1983.

In its new budget, however, the Reagan administration failed to request the \$300 million needed to carry WIC through the end of the fiscal year on September 30. Instead, the administration requested a supplemental appropriation of only \$167 million.

The results of the administration's proposed WIC policy would be drastic. If the current WIC caseload is maintained (as the law requires) until the \$1.06 billion currently appropriated runs out in early July, then a severe crisis would hit next summer. The supplemental funding the administration has requested is so inadequate that one million women, infants, and children at nutritional risk would have to be dropped from the program in July, August, and September.

If Congress responded to the administration's request by authorizing cutbacks in WIC to start at an earlier date, the

results would still be extraordinarily severe. If caseloads began to be cut on April 1, then more than 500,000 women, infants, and children would have to be terminated for the last six months of the fiscal year to stay within the administration's funding levels.

The WIC program would also suffer in fiscal year 1985. The administration has requested \$200 million less for fiscal year 1985 than its own budget acknowledges is needed to maintain the current caseload of 3 million persons. That means that caseload cutbacks started in fiscal year 1984 would continue into fiscal year 1985.

The administration has also proposed to reduce the proportion of WIC funds provided to state and local WIC agencies for nutrition education, medical tests, and general administration of the program. Most state and local agencies operating the WIC program find that the costs of performing these tasks exceed the federal funds currently provided. A reduction in this funding would adversely affect the ability of many local agencies to provide benefits to WIC participants on a timely basis.

Food Stamps The administration's budget ignores the President's Task Force recommendation of modest increases in food stamp benefit levels, such as those necessary to reflect the full cost of the Thrifty Food Plan.

The administration's budget also ignores the task force recommendation for adjustments in the food stamp assets limits (which have not been adjusted in accordance with inflation since they were set by Richard Nixon in 1971) so that more unemployed families could receive food stamp assistance. The administration also ignored this.

Instead, the administration proposed nearly \$600 million in new food stamp cuts. Two principal cuts are involved:

- increasing error rate penalties. The administration would shift \$500 million a year in food stamp costs from the federal government to the states, by requiring that states pay for all food stamp errors over 3 percent. In 1982 Congress enacted a tough penalty system that required food stamp errors to be cut roughly in half by fiscal year 1985 and that imposed substantial fiscal penalties on states not reaching a 5 percent error rate by that year. Now, however, the administration is proposing to replace this penalty system (which was designed by Senator Robert Dole) with a new system that would triple the penalties. CBO has reported that the administration's proposed approach would not result in any additional error reduction (since states are already taking extensive error reduction activities in response to the 1982 error rate penalty provisions) and would basically amount to a "cost shift" from the federal government to the states. If such a provision is enacted, many states are likely to reduce other human resources programs to come up with the funds needed to pay the large additional penalties.
- mandating workfare. The budget calls for requiring every state to establish workfare programs under which unemployed food stamp recipients (other than the elderly, the disabled, children, and mothers with children under six) are required to work for no wages in return for their food stamps. The budget contains this proposal despite the fact that workfare is already a state and local option: any state or local jurisdiction in the country may institute workfare for its food stamp caseload if it so chooses. At present, only six out of 3,000 counties actually operate food stamp workfare programs. The principal reason so few areas have instituted workfare is that it does not appear to be cost effective. CBO reported last year that mandatory food stamp workfare would increase state administrative costs by \$100 million a year, and stated: "There is no firm evidence yet available on whether savings exceed costs for workfare... Programs enacted in the 1970's were often not cost effective."

AFDC cuts may increase food stamp costs by \$218 million. The administration is proposing \$592 million in food stamp reductions. The administration is also proposing cuts of over \$600 million in AFDC. USDA's budget documents show that the AFDC cuts will result in a \$218 million increase in food stamp benefits going to AFDC families, because food stamp benefits go up by \$3 for every \$10 that a family's AFDC benefit (or other income) is reduced. The net change in food stamp costs is thus \$374 million.

However, the \$218 million increase will occur only if the proposed AFDC cuts are enacted -- and has nothing to do with the changes proposed in the food stamp program. The changes proposed for food stamps, by themselves, represent reductions of \$592 million.

Child Nutrition The administration budget contains a series of child nutrition cuts. These cuts total \$49 million in fiscal year 1985, but they mushroom in subsequent years. By fiscal year 1987, for example, the child nutrition cuts more than triple, reaching \$175 million. There are six cuts proposed.

- creating a new block grant. The administration proposes to combine the Summer Food Program and the Child Care Food Program into a block grant that is permanently frozen at fiscal year 1985 levels. This means that in the years after fiscal year 1985, the funding for the block grant would stay the same even though food prices would rise. The result is that children enrolled in these programs would receive less food in future years. (Under present law, funding for these programs automatically rises in accordance with food costs.) In addition, there would be no room under the block grant for new day care centers or homes to enter the program, unless food support for day care institutions already in the program were reduced to "free up" funds. Overall, this proposal would result in a cut of nearly 20 percent by fiscal year 1987 and even more in subsequent years.
- transferring funding for Head Start meals to HHS. The budget proposes to transfer to the HHS Head Start budget the funding now provided under USDA's Child Care Food Program for meals served at Head Start centers. This, too would result in cuts in future years. At present, funding for Head Start meals increases automatically when food prices rise. Under the administration proposal, this automatic food price adjustment would end, resulting in reductions in the food purchasing power of Head Start centers in future years.
- increasing school lunch and breakfast prices to the near-poor. In 1981 the prices charged near-poor children for reduced-price school lunches were quadrupled, and the prices charged these children for reduced-price school breakfasts went up nearly six times (reduced-price meals go to children between 130 percent and 180 percent of the poverty line). The result was that the number of near-poor children purchasing the reduced-price lunch each day fell by one-sixth, and the number

of children getting reduced-price breakfasts fell by one-third. The administration is now proposing to raise the prices of reduced-price meals even more. The price of the meals would be increased each year by the same proportion that food costs have risen.

- terminating child nutrition programs unless states administer them. A number of state education departments have declined to administer the Summer Food or Child Care Food Programs. A number of states also do not administer the School Lunch Program in nonprofit private schools (principally schools affiliated with a religious institution) because state law prohibits the state education department from dispensing funds to religious institutions. In all instances where states do not administer child nutrition programs, USDA directly administers the programs. However, the budget proposes to terminate all direct USDA administration of the programs. The result is that in some states, parochial and other private schools as well as day care centers and summer feeding institutions would be dropped from the child nutrition programs. This would occur because neither the state nor USDA would be administering the programs.
- requiring school lunch verification to be conducted by food stamp offices. USDA regulations issued by the administration require schools to verify 3 percent of all applicants for free or reduced-price school meals. The budget proposes to transfer the verification function from the schools to "independent offices," which is administration shorthand for food stamp offices. Low-income children whose parents are too proud to go to the food stamp office could lose their free school lunches.
- terminating the nutrition education and training program. The budget proposes to abolish the nutrition education program, which provides nutrition education to children in schools and day care centers. The administration has already succeeded in cutting this program to just \$5 million a year.

NUTRITION: FUNDING AND BUDGET REQUESTS, FY 1981-FY 1985
(in millions of dollars)

program	FY 1981 actual	FY 1982 proposed	FY 1982 actual	FY 1983 proposed	FY 1983 actual	FY 1984 proposed	FY 1984 actual	FY 1985 proposed
Food Stamps ^a	11,470.0	9,756.0	11,079.3	9,531.1	11,989.7	10,901.3	11,330.9	10,780.9
WIC ^b	927.0	625.0	934.1	652.5 ^d	1,193.4	1,092.6	-- ^e	1,277.3
School Lunch ^c	2,685.2	1,772.4	2,152.6	2,299.9	2,469.8	2,346.5	2,674.6	2,787.5
School Break- fast	322.6	299.5	319.4	-- ^f	345.4	-- ^f	372.6	393.4
CCFP	295.0	242.8	270.5	-- ^f	335.2	-- ^f	356.9	-- ^f
Summer Food	148.8	0.0	88.8	0.0	91.9	-- ^f	105.0	-- ^f

^a Does not include funding for Puerto Rico Nutrition Block Grant.

^b Includes both WIC and Commodities Supplemental Food Program.

^c Includes commodities for child nutrition, except in FY 1982 proposed.

^d Proposed to repeal, include in MCH Block Grant; funding would have been cut by 30 percent.

^e Congress has funded WIC through July 10, 1984, at an annual rate of \$1,420.2 million. To date, \$1,100.2 million has actually been appropriated. Action on a supplemental appropriation to fund the rest of this fiscal year will take place in the spring.

^f Proposed to repeal, include in block grant.

Chapter 7

Aid to Families with Dependent Children

"I never imagined that I'd ever be 'poor,'" says Mrs. Baker, who grew up in a comfortable Maryland community. "Even further from my mind was the thought that my children would ever be without a father, without money, without a home." But in January 1982, after nine years of marriage, Mrs. Baker took her three children and fled from her middle-class home and her physically abusive husband. Soon after, with no money, no home, no job, three small boys to feed, and a rising feeling of panic, Mrs. Baker turned to the welfare system. She and her three children had officially entered the ranks of the nation's poor.

ONE IN FIVE AMERICAN CHILDREN IS POOR

Nearly 40 percent of all poor people in America are children, and the number of poor children is growing steadily. In the last three years, 3.1 million children--or 3,000 a day--have fallen into poverty. This is the sharpest increase in child poverty since such statistics have been collected.

Today 34.4 million Americans, including 13.1 million children, are poor. That's one in five children in the United States, or nearly 40 percent of all poor people. Children are almost 70 percent more likely to be poor than adults. Those from minority and female-headed households are even more likely to be poor. One in two black children and two in five Hispanic children are poor. Over half of the children in female-headed households are poor.

The poor children in America do not just live in shacks in Southern towns, in Appalachian hollows, or in inner-city ghettos. They are children nearby. They are the children of unemployed steel workers and their wives, who can only find part-time, low-wage jobs. They are the children of single parents who get little or no child support and who work at minimum-wage retail sales jobs. They are the children whose families broke up in divorce and who are now living with grandparents and surviving on social security checks. They are immigrants from wars in Asia and Central America. They are all races, sizes, ages, and descriptions.

The annual poverty level for a family of four in 1982 was \$9,862, or about one-third of the median income of American families. That year, 2.4 million children lived in families with incomes under \$3,000. These families make do with the little they can earn, worrying that they cannot afford food or rent, hoping that no child gets sick because they have no health insurance and cannot afford medical bills, and asking little of their neighbors or the government.

Only a fraction of these families are helped by Aid to Families with Dependent Children (AFDC), the largest federal cash assistance program for poor children. Although the federal government pays for at least half of all AFDC benefits, states determine the level of these benefits and the income at which families become eligible for assistance. States have kept both these figures very low, contributing to the fact that less than half of low-income families receive AFDC. Seventy percent of those on AFDC are children; the rest, primarily, are single parents. Those who receive government assistance get minimal support--AFDC payments average \$24.32 a week per person. However, AFDC assistance is important for another reason--in 19 states only families on AFDC can receive Medicaid to assist with their health care needs.

The Reagan administration has made severe cuts in AFDC. An estimated 725,000 families, including 1.45 million children, have lost benefits entirely or have had their meagre benefits reduced. In 1981 the Omnibus Budget Reconciliation Act slashed the federal AFDC program by \$1 billion for fiscal year 1982. Combined with a resulting loss in state matching funds, this meant a total cut of almost \$2 billion to the AFDC program. Then the Tax Equity and Fiscal Responsibility Act of 1982 cut federal expenditures for AFDC by an additional \$85 million for fiscal year 1983. Each of these deep cuts in funding carried with it fundamental and permanent changes in the AFDC program that had been proposed by the Reagan administration.

While the number of children in poverty increased by over 1 million between 1981 and 1982, the number of children on AFDC dropped by over 550,000. The average number of children on AFDC compared to the number of children in poverty has declined continually since 1976. Between 1979 and 1982 alone this gap widened by almost 20 percent.

At the height of the recession, AFDC experienced an overall decrease in absolute dollars spent between 1982 and 1983. Even AFDC recipients with no earnings lost an average of \$27 per month in benefits nationwide between 1982 and 1983.

Despite the massive cuts in AFDC in 1981 and 1982, and the thousands of needy families that were thrown off the program, the Reagan Administration proposed additional cuts of \$732 million for fiscal year 1984. None of these proposals were new; most had been considered and rejected by Congress in 1982 and continued to be rejected in 1983 as too harmful to children and families.

Many of the Reagan budget cuts that passed have hurt those who can least afford it--families struggling to maintain low-paying jobs with the help of minimal AFDC benefits, pregnant women expecting their first child, and students struggling to complete high school.

Poor Working Families A survey of 10 states by the Center for the Study of Social Policy found that new AFDC rules passed in 1981 to prevent sustained assistance to families that have limited earnings caused 140,362 families to lose benefits entirely between October 1981 and 1982. In Pennsylvania some 12,412 families lost benefits; in Illinois, 19,221 families; in California, 32,135 families; in Wisconsin, 13,414 families.

The U.S. Department of Health and Human Services reports that many of the families that lost AFDC after the first round of budget cuts did not return to the program later on. However, research from individual states shows this does not mean the families have been able to meet their needs. A study conducted by the Research Triangle Institute for the department found that

almost half of the families surveyed had no health insurance; many were depending on relatives and neighbors for child care so they could work.

A study of families cut from the welfare rolls in Maine revealed that parents worked more but netted less overall income and ran up medical bills they had never had before. Mothers struggled to get health care for children without health insurance and often went without medical services themselves. Family relationships were more strained as money grew scarcer, debts accumulated, and parents were forced to spend more time away from home.

In New Jersey, a survey of those who had lost AFDC found that nearly 40 percent of the families had times when there was not enough to eat; 20 percent could not afford warm clothes for their children in the winter; and 40 percent were supporting elderly parents with medical problems but could not afford to get them treatment.

Pregnant Women The availability of AFDC for pregnant women helps ensure that they will receive Medicaid and will have adequate nutrition and shelter and money to purchase vitamins, physicians' services not covered by their state's Medicaid program, and supplies for their newborn child. In addition, studies have shown that women receiving AFDC are more likely to begin their prenatal care earlier and to have more prenatal visits. Both these factors are closely related to the birth of healthy infants and the prevention of infant deaths.

Prior to October 1981, pregnant women expecting their first child were eligible for AFDC and Medicaid in 30 states from the time that pregnancy was medically verified. Due to federal cutbacks in AFDC assistance for these pregnant women, 18 of these states now provide AFDC only beginning in the sixth month of pregnancy or later, when federal assistance is available. Six of the 30 states no longer provide any AFDC to women pregnant for the first time. Only six states that once provided AFDC assistance

throughout a woman's pregnancy continue to provide cash assistance at the AFDC level throughout pregnancy, in part by substituting state money for lost federal dollars.

Students Prior to October 1981, 35 states opted to provide AFDC coverage to students up to age 21. Then the federal government limited its AFDC support for older students. Thirty-one of these states continue to provide AFDC to students up to age 19. Only five of these 31 states have replaced lost federal money with state funds to continue providing financial assistance at AFDC levels to high school students older than 19. Five more of these states have used their own money to supply more limited financial assistance to children up to age 21. Eleven states--including four that previously provided AFDC to students up to age 21--do not offer any coverage to students 18 and older. In Tennessee, 3,126 students and their families had their grants terminated or reduced because of this change. In Georgia, some 4,000 children 18 to 21 years old lost AFDC assistance.

Many low-income children need AFDC assistance through age 20 to complete their schooling. Poor children generally take longer to complete school than their more affluent peers. One out of four 17-year-olds from poor families is enrolled in grade ten or below, compared to one out of 10 children from nonpoor families. Thus, the Reagan budget cut has had a great effect on poor children who still lack the high school degree that could help them get a job. It has encouraged children to drop out of school only to find that no jobs are available for those without education or skills.

Low Benefits Even families that receive AFDC continue to be desperately needy because benefit levels are so low. As of September 1983 only 12 states paid more than \$400 per month for a family of three with no other income. Eight states paid less than \$200 a month to such families. Mississippi, for example, paid \$96 a month; Texas and Alabama, \$118; South Carolina, \$142.

Benefits are so meagre that in 31 states the maximum AFDC payment that a family can receive is below the amount that the state itself has identified as necessary to satisfy subsistence needs. Testimony before Congress from Don Crary, director of Arkansas Advocates for Children, characterizes the situation in a number of states:

The Arkansas AFDC payment level--the only cash assistance program for children in homes with little or no income--bears virtually no resemblance to the actual cost of minimally caring for a child. Seven years ago, Arkansas determined the AFDC "standard of need" for various sized families in Arkansas (\$273 per month for a family of four). Based on this calculation, the state then established the AFDC payment rate to be only 69 percent of that standard of need. In spite of the enormously high rates of inflation, causing prices for housing, utilities, clothing, and every other essential to increase during the last seven years, Arkansas has never adjusted its standard of need. We have, however, dropped our payment rate to only 60 percent of that standard. Thus, we now provide a single mother with no other source of income and three children to care for \$164 per month (14 October, 1983).

State-determined AFDC grant levels have not increased as rapidly as the rate of inflation. Between 1976 and 1983, AFDC benefits in constant 1983 dollars decreased over 15 percent in more than half the states. In 15 states the average monthly benefit levels decreased by over 25 percent in real purchasing power during this time. Only three states increased the average AFDC benefit levels over 10 percent in constant 1983 dollars.

Moreover, although 29 states increased the maximum AFDC grant for three-person families between January 1981 and 1983, only seven of these states increased benefits enough to keep up with the consumer price index, which jumped 12.5 percent in two years.

Unemployed Families Only a fraction of intact unemployed families that need AFDC receive help. Although states have the option of providing AFDC to two-parent families where one or both

parents are unemployed (known as the AFDC-Unemployed Parent Program), 27 states do not provide such coverage even though these families may be very poor. Four states have eliminated the program within the past two- and one-half years. Even in the states that have an AFDC-Unemployed Parent Program, only a small percentage of unemployed families are served. In some states fewer than 10 percent of unemployed families participate in the AFDC-Unemployed Parent Program.

- As of April 1983 there were 636,000 children on the AFDC-Unemployed Parent Program nationwide. There were about 5.6 million children in intact families in which one or both parents were unemployed.
- Michigan officials note that for every 20,000 people in that state who are unemployed and have exhausted their unemployment benefits, only 2,000 are added to the public assistance rolls.

Burden on States In some instances, AFDC cutbacks have saved the federal government money by placing tremendous new burdens on state coffers. In part this has occurred as pregnant women and students who have lost AFDC have been shifted over to state general assistance programs. For example, Illinois' state general assistance program covers children between the ages of 18 and 21 who lost AFDC at a cost to the state of \$675,224. In Chicago, the general assistance caseload, which is supported almost entirely with state funds, grew from 82,950 cases in October 1981 to 104,305 cases in December 1982--double the increase between January and September 1981. Statewide expenditures for the general assistance program rose 26 percent in fiscal year 1982, from \$158 million to \$200 million.

In Pennsylvania, the state general assistance program rose by \$35 million, or 11 percent, between July 1981 and 1982. Between July 1981 and 1982 in New York, the general assistance caseload rose 25 percent; the cost of the program, 30 percent. New York data shows that the number of former AFDC recipients who enrolled in the state general assistance program rose 94 percent

between November 1981 and March 1982. Poor people are hurt as well as state coffers, because coverage under general assistance programs is typically even worse than under AFDC.

Administrative Changes Changes that the Reagan administration claimed were purely "administrative" in nature have hurt many children and families. For example, a family service agency in Milwaukee, Wisconsin, reported that in the first three months that the state applied a new federal "monthly reporting" requirement, an average of 2,369 people per month lost assistance for some period of time. "Monthly reporting" requires families to file a monthly report on income, resources, and other relevant circumstances before they can receive benefits. There has been enormous confusion regarding exactly what is expected of families in order to meet the requirement (the information needed, who in the local welfare department to send it to, and what the monthly deadline is for filing the report). In addition, the timelines for the requirement are very tight--a family loses benefits if their report is late by one day, even if it is late because a parent is hospitalized or out of town due to an emergency. The requirement has resulted in thousands of eligible recipients being disqualified at least temporarily from AFDC because they failed to submit their monthly report on time.

The monthly reporting requirement also generates enormous amounts of unnecessary work for welfare offices--most AFDC families' incomes do not change very much from month to month, and those families that lose AFDC for failure to meet the monthly reporting requirement typically end up having to be recertified.

- Oklahoma estimated that of the 5,386 cases closed over seven months for failure to submit a monthly reporting form, 1,587 families were recertified within the same month as their closure and 93 percent were recertified within 13 months. Michigan reported closing 46,570 cases due to the monthly reporting requirement. After three months about 66 percent of these families were back on the rolls.

- Alabama requested a waiver so that 16- to 17-year-olds in the state's Work Incentive Program would not have to meet monthly reporting requirements to receive AFDC. The state estimated it would cost \$18,324 to ensure that these teenagers met the requirement and it would save the state only \$3,970.
- Florida estimated that if it was forced to require all clients to submit monthly reporting forms, the state would have to spend 41 percent more dollars than it would save.

PRESIDENT REAGAN HAS WEAKENED AFDC SINCE 1981

Congress adopted almost all of the administration's fiscal year 1982 proposals for the AFDC program, although some proposals were made state options rather than mandatory provisions. Working families were hurt most by these three changes:

- Reduced "disregards" for families with earned income. "Disregards," the amount of money disregarded in assessing a family's income, lower the amount of a family's earned income that is used in calculating their AFDC eligibility and benefits, and allow many poor working families to supplement meagre earnings with a partial AFDC grant. For example, in calculating AFDC grants, working families can subtract child care and other work-related expenses like transportation from their earned income before eligibility and benefit levels are determined. These deductions used to be based on actual reasonable work expenses. The fiscal year 1982 changes limited the work expenses families can claim by capping child care expenses at \$160 a month a month per child and work expenses at \$75 a month. These amounts are often below a family's actual child care and work expenses.
- Moreover, the \$30 and 1/3 "work incentive disregard" that is subtracted in determining benefit levels is now calculated on net rather than gross income, and is limited to a family's first four months on AFDC. After four months, a working parent's AFDC grant is reduced dollar-for-dollar for every dollar earned, with the exception of income spent on child care and other work-related expenses up to the cap. If a worker's expenses are more than the cap, she loses money by working.
- No AFDC will be awarded to families whose gross incomes exceed 150 percent of their state's "standard of need." Each state sets its own needs standard, which in theory but rarely in practice represents the amount of income a family requires to meet its subsistence needs. As of February 1982 every state's

needs standard fell below the federal poverty line. Before fiscal year 1982, very poor working families many of whose gross incomes were below the poverty line but above their state's needs standard could still obtain a partial AFDC grant if their net income, after deducting child care and work expenses was less than their state's standard of need. This new eligibility rule cut many desperately poor working families off AFDC entirely. A number of states have subsequently raised their standard of need, although many of these standards are still low.

Other mandatory changes hurt pregnant women, students, and children whose parents had remarried:

- No federal AFDC assistance is available for mothers pregnant with their first child until the sixth month of pregnancy. Previously, states could claim federal reimbursement for AFDC for these mothers and their unborn children (a family of two) as soon as the pregnancy was medically confirmed. Now states must rely totally on state dollars until the sixth month of pregnancy. In addition, federal assistance is provided only for the mother (a family of one) and not for the unborn child at all.
- No federal AFDC assistance goes to students over age 18. Previously, a state could opt to provide AFDC to students aged 18 to 21 and receive federal assistance to do so. Now a state can only get federal assistance to provide AFDC to students through age 18 who are reasonably expected to complete high school or a vocational program by age 19.
- AFDC benefits are lowered for children with stepparents. Formerly, a stepparent's income could not be counted in determining a child's AFDC eligibility and benefit levels unless the stepparent had a legal obligation under state law to support the child or his income was actually available to the child. Now the stepparent's income must be counted whether or not the stepparent actually contributes to the child's support or can legally be made to do so. This can lower a child's AFDC benefits and even exclude the child from the program.

Two other mandatory changes passed for fiscal year 1982 impose new administrative burdens on families that make it harder for them to obtain AFDC when they need it:

- Monthly reporting. Families must file a monthly report on income, resources, and other relevant circumstances, unless they fall into a category the state has exempted from reporting requirements. Families that fail to file these reports at least temporarily lose all benefits.
- Retrospective budgeting. Except for the first and last months of AFDC eligibility, AFDC grant levels are now calculated "retrospectively," based on the family's income one or two months prior to the month in which the grant is issued. Therefore, when families have a sudden dramatic loss of income-- such as when a mother falls ill and loses her job-- they have to wait up to two months for their AFDC grant to reflect their increased needs.

Congress adopted other changes proposed by the Reagan administration as state options, including counting the value of food stamps and housing subsidies as income in determining a family's AFDC eligibility and benefit levels, and allowing states to set up work programs for AFDC recipients, including workfare programs that require recipients to work off their AFDC grant for no pay in often meaningless, dead-end jobs.

The administration proposed \$1.2 billion in cuts for fiscal year 1983. A number of the proposed changes would have harmed even those AFDC families with no earnings. These included reducing benefits whenever an AFDC family lived in a household with others; reducing AFDC grants to reflect receipt of energy assistance; making workfare mandatory; eliminating the Emergency Assistance program; and requiring a waiting period for applicants while they searched for work. Congress rejected these proposals although it did give states the option of reducing AFDC benefits for families that share housing and of requiring AFDC applicants and recipients to participate in job search programs, even though few jobs were available because of the recession.

For fiscal year 1984 the administration proposed to cut an additional \$732 million in federal AFDC funds by making a variety of changes in AFDC law, most of which Congress had rejected in fiscal year 1983. These included mandating lower benefits when AFDC families share housing and mandating workfare for all able-

bodied adults. Congress again refused to pass these changes and the program suffered no further cutbacks that year.

WHAT PRESIDENT REAGAN PROPOSES FOR FISCAL YEAR 1985

The administration proposes to cut an additional \$633 million from AFDC in fiscal year 1985, despite the documented harm of past AFDC cuts on tens of thousands of poor children. The administration's new AFDC proposals will result in \$2.4 billion in federal cuts in AFDC and Child Support programs over the next three years and a comparable loss in state and local matching funds.

All of the changes proposed by President Reagan in fiscal year 1985 were rejected by Congress in fiscal year 1984; many of them have been rejected for two years in a row. They include:

- mandating that adult recipients register and participate in workfare programs in order to receive public assistance benefits (administration estimated cut--\$171 million). This proposal to mandate participation in Community Work Experience Programs (CWEP) by all able-bodied adult recipients has been rejected by Congress for two years in a row because of concerns that it is costly and will result in punitive, nonproductive, make-work programs. States have already shown their disinterest in such statewide "workfare" programs. As of December 1983 only four states had instituted statewide mandatory workfare programs for all or specific categories of eligible recipients.
- requiring that the income of any minor sibling, grandparent, or stepparent who is living with a child (except those on Supplemental Security Income) be counted when the child applies for or receives AFDC (administration estimated cut--\$143 million). The proposal would count, for determining eligibility and setting benefit levels, any income of any sibling, grandparent, or stepparent who lives with the AFDC child and parents, even if the person has no legal obligation to contribute the income to the family and does not, in fact, do so. For example, income from a personal injury settlement, such as an award to take care of a child's special needs following an accident, would be used to reduce the family's AFDC grant rather than to meet the child's special needs.

- reducing the shelter and utilities portion of the AFDC grant when AFDC families live with others (administration estimated cut--\$263 million). In fiscal year 1983 Congress gave states the option of prorating a family's shelter and utility grant if the family shared a household with others. Only one state, Indiana has adopted this option. The proposal to make this option mandatory, which the administration recommended in fiscal year 1984 and again this year, would penalize families who for economic purposes choose to share housing with others. With the high costs of housing and utilities it is almost impossible to afford these costs on the meagre amount of benefits received under AFDC. In Maryland the maximum grant for a family of three is \$295 a month. The average cost of renting a two-bedroom apartment in Maryland is over \$200 a month.
- eliminating the needs of an employable parent or other caretaker from the grant when the youngest child reaches 16 (administration estimated cut--\$17 million). The administration's rationale for this proposal is that it "would create an incentive for adults who are sufficiently free from child care responsibilities to pursue employment." This rationale ignores the fact that jobs are not available and that many of the caretakers affected by the proposal are older and less employable than others with whom they are competing for jobs when unemployment is at least 8 percent. Under current law, if a mother has a job her income is already treated as available to her family and benefits are reduced accordingly. If she is unable to find work, the mere fact that she may be free from child care responsibilities does not justify ignoring her and her family's needs as this provision proposes.
- eliminating the Work Incentive (WIN) Program (administration estimated cut--\$267 million). WIN provides job counseling, training, placement, and support services for AFDC recipients struggling to find permanent employment. Despite the administration's emphasis on putting AFDC recipients to work, and despite the interest Congress showed in fiscal year 1983 in having states pursue WIN demonstration alternatives using WIN funding, the administration proposes to eliminate the program.

Other proposed AFDC changes (administration estimated cut--\$39 million) include:

- denying benefits to families when a parent leaves home to look for or maintain employment. This proposal ignores children's needs for support and focuses solely on the actions of a parent who is trying to obtain employment to help support the family.

In both AFDC and AFDC-Unemployed Parent families, the departure of a parent seeking work would cause the rest of the family to be ineligible for AFDC entirely under the administration proposal.

- expanding existing sanctions against parents who fail to participate in work-related activities, voluntarily leave a job, or reduce their work hours. AFDC parents are already subject to sanctions for work-related misbehavior, including losing deductions for work-related expenses, losing the work disregard, having the parent removed from the grant, and being denied assistance for the entire family in the case of the AFDC-Unemployed Parent Program. This proposal expands already severe sanctions for other AFDC work-related programs.
- limiting assistance to minor mothers not living with their parents. This proposal denies important financial assistance, and sometimes medical assistance, to teenage mothers who do not live with their parents or guardian relatives. Cash assistance will provide the needed funds to meet these young parents' and their infants' basic needs for shelter, clothing, and health benefits and should not be conditioned on where they live.

AFDC: Proposed Funding and Changes in Funding for FY 1985

	Change, FY 1984 Current Policy to FY 1984 Actual ^a	FY 1985 Current Policy	FY 1985 Proposed Policy	FY 1985 Proposed, Change from FY 1985 Current Policy
	(millions)	(percent)	(millions)	(millions) (percent)
AFDC & Child Support Enforcement ^b	\$ - 1,655.0	- 16.7%	\$ 8,160.0	\$ 7,508.0 - 8.0%

^a This column shows the change in actual FY 1984 expenditures from pre-Reagan administration current policy--that is, from what would have been spent in FY 1984 had the entitlements remained as they were when this administration took office. The reductions are derived from Congressional Budget Office estimates of the reductions (in FY 1984) due to changes enacted in the first two years of the administration. For further details of these past changes, see CDF's A Children's Defense Budget: An Analysis of the President's FY 1984 Budget and Children, Appendix.

^b For FY 1985, AFDC alone is proposed for \$7,144 million funding, a reduction of \$633 million from the FY 1985 current policy level of \$7,777 million.

Chapter 8

Education

Although Sam is 17, he is in the tenth grade at a suburban Minneapolis high school. When Sam first began school he had reading problems and seemed to have a poor memory. Sam's reading ability and self-esteem both improved when he received help through the Title I compensatory education program during the second, fourth, and fifth grades. However, because the school district had limited funds, Sam was dropped from the program when he entered the sixth grade.

His school problems reappeared and his self-confidence dropped in seventh grade. He started skipping school and eventually broke the law. He ended up in a juvenile court and detention center. During his three months in the center, Sam received Title I services again. He is now back in school, but only as a tenth grader.

Because of his age and level of frustration, Sam is a likely candidate to drop out of school. Title I, the program that could help him, is simply not available because his school district cannot afford it at the secondary school level.

QUALITY SCHOOLING IS NOT AVAILABLE FOR ALL CHILDREN IN AMERICA

Like Sam, millions of American children face a bleak future because they do not have access to adequate and effective schooling. Some of these children are handicapped. Others are poor or minority students, females, and non-English speaking children. Far too many fall behind in school, and are unable to read, write, or compute anywhere near grade level. More than one million drop out of school each year.

An estimated 13 percent of American 17-year-olds are functionally illiterate. Approximately 3.6 million children are struggling to stay in school despite limited proficiency in English. Without help, many fail. Some 2 million handicapped children lack the specialized educational services they need to learn.

Minorities and females continue to face discrimination in the classroom. Surveys by the League of Women Voters found that

among the eight categories of vocational education programs, three (agriculture, technical, and trade/industrial) were dominated by males and four (health, consumer/homemaking, occupational home economics, and office occupations) by females. Black students are still almost twice as likely to fall behind in school as white students and twice as likely to drop out. Almost one in four black students drops out of high school permanently; of those still in school, one in three is behind at least one grade level by the time he is 18. Black students are also likely to be mislabeled in school: during the school year 1979-80, a black student was 3.2 times as likely to be in a class for the educable mentally retarded as a white student, but only half as likely to be in a class for the gifted and talented.

The effective use of the newest classroom tools -- computers -- is limited to the very few. According to a study conducted at the University of Minnesota, "low-income, female, and rural students are especially disadvantaged in receiving computer experiences and computer literacy in school. Computer programming enrollment remains primarily limited to males attending computer-rich schools in large cities."

Although federal education programs helped American education improve dramatically during the 1960s and 1970s, much still needs to be accomplished. A number of reports released in 1983 talk about the crisis in American schooling, and point to continuing problems in ensuring equity and excellence in the classroom. The Reagan administration has heightened the problem; through budget cuts, regulatory changes, and lack of enforcement, it has significantly eroded American education during the first three years of this decade. The educational opportunities for poor, handicapped, minority, and female children have declined.

In the three annual budgets submitted to Congress since he took office, President Reagan has urged budget cuts and rescissions in federal education programs amounting to \$9.6 billion. (See the table at the end of this chapter for information on

budget cuts.) He has consistently attacked compensatory education for disadvantaged students, education for the handicapped, and bilingual and vocational education. Although Congress has rejected the administration's proposals and has actually increased funding for these programs by a modest amount, federal education programs have lost ground to inflation. From fiscal years 1980 to 1984, federal funding for education declined in real dollars by 21.5 percent. Programs that were underfunded and inadequate before President Reagan took office have become more so during his tenure. Millions of children are still going without the assistance of federal education programs that they need to help them learn.

Fewer Students Receive Compensatory Education The Title I compensatory education program has helped millions of poor and minority students to overcome their problems in reading and mathematics. Numerous studies commissioned by the Department of Education have demonstrated Title I's effectiveness. Even at its peak in the 1981-82 school year, when Title I served almost 5.9 million children, the department stated that only about one-half to two-thirds of all children who needed compensatory education services were being helped. Moreover, the number of children in poverty has grown dramatically in the last three years as a result of the administration's economic policies. Thus, the number of children eligible for Title I services has also grown.

Few secondary students had access to the program. The department estimated that less than one-fifth of those participating in Title I were in junior or senior high school. This is true even though numerous national reports in the last few years demonstrate a definite need for compensatory education for this age group, particularly for urban minority students.

In 1981 Congress replaced Title I with Chapter I of the Education Consolidation and Improvement Act. By fiscal year 1983, the program's funding level when adjusted for inflation had

declined by over 20 percent. Inflation on top of earlier budget cuts has wreaked havoc on Chapter I programs in many school districts. In a survey conducted by the Children's Defense Fund during the summer of 1983, 32 states reported serving fewer children in the 1982-83 school year than in the previous year. Thirteen states reported eliminating certain kinds of Chapter I programs entirely, including math, secondary, and preschool programs.

The state of Washington, for example, reported serving 5,000 fewer students in 1982-83 than in the previous year. While the state continued to serve all elementary school children identified as needing compensatory reading instruction, it served only half of those needing help in mathematics and only 16 percent of those needing help in language arts. Moreover, budget cuts forced the state to eliminate all compensatory education for secondary school students.

Louisiana was also forced to eliminate nearly all of its high school Chapter I programs because of budget cuts. The state has almost completely curtailed crucial support services like counseling for Chapter I students of all ages.

Reduced Services for Handicapped Children Inadequate funding has plagued education programs for handicapped students ever since the Education for All Handicapped Children Act (P.L. 94-142) was created in 1975. Although the law authorizes the federal government to contribute up to 40 percent of the per pupil cost of educating a child to offset the excess cost of educating a handicapped child, the actual contribution has never exceeded 12 percent. As a result, the quality and scope of the services, particularly of supportive services, provided to handicapped children under the program have been inadequate. Many secondary schools provide few if any services for handicapped students, resulting in a disproportionately high drop-out rate for these children.

Since President Reagan took office, federal funding to educate handicapped children has declined by 9.1 percent when adjusted for inflation. Although about 4 million children continue to be served under P.L. 94-142, the services available to these children have declined even further. By fiscal year 1983 the federal share of the excess costs of educating a handicapped child had dropped to 8 percent. With states and local school districts already strapped for funds, this decline in money is unlikely to be replaced by funds from other sources.

Examples of service reductions abound. In Minnesota, local school districts are eliminating nurses, social workers, and special education therapists from their programs. Some schools are even reclassifying children out of special education classes because they do not have the money to serve these children even after cutting back on support services. In Milwaukee, Wisconsin, teachers trained to work with retarded children have been among the first to lose their jobs during budget cuts. Provisions for helping physically handicapped children to move around the school have been eliminated. Children face a two- to three-month wait to be evaluated for their therapy needs and a two-month wait for speech services. In Allegheny County, Pennsylvania, budget cuts only allow preschool handicapped programs to serve half as many children as they once did. Without these services, handicapped children are deprived of early assistance to overcome their disabilities, and the schools have a harder time planning for children's future needs.

No Help for Non-English Speaking Students Federal, state, and local bilingual education programs that are designed to help non-English speaking students served less than one-third of these children in the late 1970s when such programs were at their height. Without expanded programs, the gap between need and services is likely to grow. Demographers have concluded that those populations that can be helped most by bilingual education,

like Hispanics, are among the fastest growing in the United States.

Even those children lucky enough to participate in bilingual programs may not be receiving effective services. A recent study conducted by the Interamerica Research Associates on Teacher Language Skills concluded that only 21 percent of the 55,000 teachers teaching in a non-English language could use that language competently enough to teach their subject matter effectively.

Since fiscal year 1980, the federal Bilingual Education Program has been cut by 38 percent when adjusted for inflation. This has severely reduced the number of children served. In 1980, the federal Bilingual Education Program served 325,000 students -- about one-quarter of the children receiving bilingual education in this country. In the 1984-85 school year, the number of children served by the federal program may be cut almost in half due to funding reductions. Federal budget cuts have also reduced bilingual teacher training programs, despite the lack of trained bilingual teachers.

Reduced Commitment to Sex Equity Budget cuts in the federal Vocational Education Program and diminished oversight by the Department of Education have led to a reduced state and local commitment to sex equity in vocational education programs. Since fiscal year 1980, funding for the federal Vocational Education Program has declined by 30 percent when adjusted for inflation. Although the federal government provides less than 10 percent of the total funds spent on vocational education, federal money has been instrumental in expanding the opportunities for poor and minority students as well as females to participate in quality vocational education programs. A study of vocational education programs by the League of Women Voters revealed that some states, like Massachusetts, had already reduced or eliminated sex equity programs due to the budget cuts. Individuals responsible at the

local level for promoting sex equity had been released and their responsibilities had been handed over to other officials with many other jobs and mandates, of which sex equity was often the newest and the least important. The League also reported that budget cuts had forced Wisconsin to eliminate vocational outreach and recruitment programs for females and minorities. Moreover, many local school districts were being asked to conduct their own evaluations of vocational education programs, with less funds to spend on their programs as a whole. As a result, data is sparse on the effectiveness of vocational education and on the level of participation by historically underserved populations. Finally, state and local governments have been both unable and unwilling to replace lost federal dollars for vocational education -- particularly, for sex equity programs. Some states, like Idaho, have even reduced state funds for these programs. The initial sex equity gains made in the 1970s are in danger of disappearing due to budget cuts and poor federal oversight.

Urban Schools Especially Harmed The education block grant, Chapter Two of the Education Consolidation and Improvement Act, combined 28 separate education programs and had a devastating impact on the nation's largest urban school districts, which educate about half of America's minority youth. The Emergency School Aid Act, which provided financial assistance to school districts undergoing desegregation, was one of the largest education programs consolidated in the block grant. Of the total funds appropriated to the individual programs in fiscal year 1981, almost 30 percent went to Emergency School Aid. Under the block grant, financial commitment to desegregation almost vanished. According to a survey by the American Association of School Administrators, less than 6 percent of the school districts surveyed spent funds on desegregation, and the average grants totaled only \$871 per school district. Nationwide, less than 5 percent of the block grant funds were spent on desegregation programs.

While the Emergency School Aid Act concentrated funds on those school districts that had desegregation programs, the block grant dispersed federal money to almost all school districts. As a result, large urban school districts with substantial and expensive desegregation programs suffered severe funding losses with the implementation of the block grant. Buffalo went from \$6.8 million in 1981 to \$950,000 in 1982; Cleveland, from \$10.8 million in 1980 and 1981 to \$1 million in 1982; Milwaukee, from over \$14 million in 1980 and 1981 to \$2.7 million in 1982; Rochester, from \$4.2 million in 1981 to \$900,000 in 1982; Seattle, from \$10.4 million in 1980 and 1981 to \$700,000 in 1982; and St. Louis, from \$12 million in 1980 and 1981 to \$650,000 in 1982. These massive funding losses have not been restored and have had a direct and severe impact on urban school districts and particularly on the minority students that attend urban schools.

Recent reports on public schools, including that of the President's National Commission on Excellence in Education, emphasize the need to restore a quality education to American students. The President has embraced this rhetoric, but he has overlooked those concerns expressed by the U.S. Commission on Civil Rights. In response to the President's fiscal year 1984 budget, the Commission stated that the "Federal Government's role in addressing the needs of the disadvantaged, minorities, women, and the handicapped is part of the Nation's commitment to fulfill the constitutional promise of equality for all Americans. In the Nation's effort to provide quality education it must not lose sight of the quest for equality." The Reagan administration has demonstrated in its actions and in its education proposals that it seeks to abandon the nation's commitment to provide both equality and quality for its children. Because of its efforts, millions of children who are disadvantaged, minority, or handicapped will lack the education they deserve.

HOW PRESIDENT REAGAN HAS WEAKENED EDUCATION SINCE 1981

Compensatory Education For fiscal year 1981 President Reagan proposed cutting the Title I compensatory education program by almost \$900 million by rescinding money that Congress had already appropriated. Congress agreed to rescind about half that amount, reducing the appropriation for Title I from \$3.5 billion to \$3.1 billion.

For fiscal year 1982, the administration proposed consolidating the Title I program with over 40 other education programs into a single education block grant. Although Congress thwarted this effort, it replaced Title I with Chapter I of the Education Consolidation and Improvement Act. Chapter I weakened the program's focus on those children most in need, wiped out required parent advisory councils, removed most of Title I's accountability requirements, and substantially reduced federal involvement in the program. In addition, the administration proposed to cut Chapter I by \$650 million. Congress made a minor cut to \$3.03 billion. In real dollars, the program had already suffered a cut of over 20 percent from its fiscal year 1980 level. The President later proposed an additional rescission of \$650 million, which Congress rejected.

For fiscal year 1983, President Reagan proposed a cut of almost \$1.1 billion in Chapter I, or over 40 percent from its fiscal year 1980 level. If Congress had accepted this proposal, the number of students served by Chapter I would have been cut in half and the services they received would have declined severely. Congress rejected the President's proposal, instead providing a modest increase for the program to \$3.16 billion. President Reagan proposed another rescission, this time amounting to \$130 million. Congress again rejected the request.

For fiscal year 1984, the President proposed cutting Chapter I by \$150 million; instead, Congress increased its appropriation to \$3.5 billion. Although the current appropriation is about 9

percent higher than the fiscal year 1980 level, the program has lost ground due to inflation. When inflation is taken into account, Chapter I is almost 20 percent below Title I's fiscal year 1980 funding level.

The increases provided by Congress in fiscal years 1983 and 1984 were not distributed evenly to all school districts. Beginning in fiscal year 1983, the Department of Education based its funding distribution on the 1980 rather than the 1970 census. Because the funding distribution reflected shifts in the poverty population, some school districts lost funds despite an increase in the total funding level for the program. Others gained much more money than would be expected given the total increase for Chapter I. Congress did allocate a small amount of funds to minimize the impact on the "losing" districts.

In 1983 Congress also passed technical amendments to strengthen parental involvement in Chapter I and to increase program accountability. However, statutory and regulatory changes that occurred when Title I became Chapter I could still prove extremely damaging.

Chapter I gives local school districts more discretion in how they spend funds and implement the law than Title I did. While states continue to be responsible for monitoring and overseeing the program, their authority to enforce these responsibilities is less. Chapter I also cut state administrative funds by one-third. When these changes are combined with the almost nonexistent federal oversight of Chapter I, the threat that local programs will be diluted or disappear is severe. It took 17 years and nine major amendments to Title I to create a system at the federal, state, and local levels that would safeguard the education benefits of remedial instruction for low-achieving children in low-income neighborhoods. Now legislative and regulatory changes, budget cuts, and the Department of Education's low profile threaten to destroy the carefully woven fabric of this program.

Education for the Handicapped Since President Reagan took office, he has made two attempts to abolish the Education for All Handicapped Children Act (P.L. 94-142) and to replace it with a block grant. Congress rejected these proposals in both 1981 and 1982.

The President also proposed rescinding \$160 million from the program for fiscal year 1981. Congress rescinded about half that amount. President Reagan then proposed cuts of over 25 percent in the program to accompany his first block grant proposal in fiscal year 1982. After Congress rejected this proposal and increased the program's funding level by 6.5 percent, the President proposed an even greater rescission of 28 percent. Congress rejected this proposal.

For fiscal year 1983, the Reagan administration proposed another block grant with a 30 percent cut in funding. Congress provided a modest funding increase for the program and a supplemental appropriation that brought its funding level to \$1.02 billion. During fiscal year 1983, the administration also attempted to enact "new" regulations for the program that would have eliminated many important protections for handicapped children and their parents. The administration later withdrew these proposals under severe criticism from members of Congress and the public.

Although the administration proposed only a modest decrease in funding for P.L. 94-142 for fiscal year 1984, this request would have meant a continued loss of services due to inflation. Congress increased the program's funding to \$1.07 billion, however, the program has still lost 9.3 percent of its funding since fiscal year 1980.

Like Chapter I, P.L. 94-142's funding increases on the national level did not translate into local funding increases in every case. Because the funding distribution used after fiscal year 1983 is based on the 1980 and not the 1970 census, some local school districts will gain a disproportionate share of the

program's national funding increase and others will lose a disproportionate amount. Congress allotted a small amount of money to ameliorate the loss of funding for some school districts.

Bilingual Education President Reagan recommended severe budget cuts in the federal Bilingual Education Program. He also proposed legislative changes to narrow the definition of children who can be served and to broaden the types of programs that can be funded. In fiscal year 1981 the President proposed a rescission of 25 percent in the Bilingual Education Program. Congress cut 10 percent. In fiscal year 1982 the President proposed an additional 20 percent cut; Congress cut 15 percent. The program's funding level dropped from \$180 million to \$138 million in these two years.

For fiscal year 1983 the President recommended another cut amounting to almost one-third of the program's remaining funding. Congress ignored this recommendation and maintained Bilingual Education at the previous year's level. President Reagan proposed a one-third cut in the program's funding for a second time in fiscal year 1984. Congress provided a modest increase to \$139 million. Despite this small gain, budget cuts and inflation have devastated the program. Since fiscal year 1980, Bilingual Education has suffered cuts of almost 20 percent. When inflation is taken into account, these cuts amount to almost 40 percent. Student participation has decreased by almost one-half.

Other Programs Congress created the Chapter II education block grant in fiscal year 1982. It consolidated 28 of the more than 40 separate education programs that the President urged be included in the block grant. Funding for these activities was cut by 12.5 percent. Congress had already cut these programs by almost 30 percent in fiscal years 1980 to 1981. Congress has not made additional cuts in the block grant since fiscal year 1982. President Reagan continued to try to repeal additional programs

and to add their activities to the block grant in fiscal years 1983 and 1984 without any increase in the block grant's funding. These included the Women's Educational Equity Program, desegregation advisory and technical assistance programs established under Title IV of the Civil Rights Act, and the Follow-Through Program. Congress rejected these proposals.

The President also proposed replacing the Vocational Education and Adult Education programs with a single block grant in his budget proposals for fiscal years 1982, 1983, and 1984. The funding level for that block grant would have been \$500 million, a substantial cut from the program's funding levels in any of the last five years. The block grant would also have eliminated most of the federal mandates promoting sex equity. Taken together, the budget cut and the block grant would have eliminated most of the advances made in sex equity in the 1970s. Congress rejected the President's proposal, but decreased funding for Vocational Education by almost 16 percent in fiscal years 1981 and 1982. When inflation is taken into account, the program was cut almost 30 percent. In fiscal year 1983, Vocational Education received an increase from \$659 million to \$732 million. It was increased to \$738.6 million in fiscal year 1984. Neither increase compensated for the earlier cuts or for the loss to inflation. Overall, Vocational Education has been cut by over 30 percent since fiscal year 1980.

WHAT PRESIDENT REAGAN PROPOSES FOR FISCAL YEAR 1985

The administration claims that its budget proposal for fiscal year 1985 provides a \$100 million increase for federal education programs. At face value, it appears the administration deserves some credit for acknowledging what Congress already recognized: that federal education programs should not be the target of further budget cuts. However, the following detailed look at the administration's proposals reveals that this budget

increase is illusory. The administration's budget would result in a decrease in spending for federal education programs, from \$15.9 billion in fiscal year 1984 to \$15.5 billion in fiscal year 1985, \$15.4 billion in fiscal year 1986, and \$15.2 billion in fiscal year 1987. The administration's budget exacerbates the effects of past budget cuts and of inflation and ignores the growing number of students in need of help. Thus, it guarantees a continuing, steady decline in federal education services.

Chapter I The administration recommends

- funding the Chapter I program as a whole at its current level of \$3.48 billion. This translates into an effective cut of over 20 percent from the fiscal year 1980 funding level. Since fiscal year 1980 the number of students served by Chapter I has declined by 20 percent as well, from a high of 5.9 million in the 1981-82 school year to a current estimated level of 5 million students. This decline has occurred at the same time that the number of children in poverty, and thus the number of children eligible for the program, has increased.
- increasing the funds available for grants to local school districts by 1 percent, while decreasing state migrant programs and state administration by 10 percent. The administration's proposed 1 percent increase is intended to ensure that the same number of students are served in fiscal year 1985 as in the current fiscal year. However, this increase will not allow the local programs to account for inflation, which the administration estimates will be 5 percent. Moreover, the increase is provided at the expense of a 10 percent cut in state migrant programs and state administration of migrant programs. Some 50,000 migrant students could lose compensatory education services. Migrant students would also suffer because of the administration's proposal to eliminate the Migrant High School Equivalency and College Assistance Programs. The reduction in state administrative funds could lead to a further decline in state oversight activities.
- instituting a voucher system for the Chapter I program. Congress ignored this proposal by the administration last year and should do so again this year. Although the administration promises freedom of choice to parents and students, any such freedom is likely to be illusory. Chapter I is unlikely to provide enough students with an adequate amount of money to have true freedom of choice. In addition, parents are unlikely

to have enough information to make such choices, and schools will be able to select those students most likely to succeed. In addition, the voucher system would probably result in less money for public schools and more money for private schools. The quality of services for students remaining in the public schools would decline.

Bilingual Education The administration proposes

- funding the Bilingual Education Program at its current level of \$139.4 million. This is an effective decline in the program of almost 40 percent from its fiscal year 1980 level. This year's funding proposal would increase the number of students served by 12 percent while decreasing the number of teachers trained by 15 percent. Despite this increase, there would still be one-third fewer students served than when President Reagan took office. The cuts in teacher training are proposed despite studies demonstrating the need for trained bilingual teachers.
- modifying operation of the Bilingual Education Program. For the second time the administration plans to propose legislation to limit eligibility for the program and to broaden the types of programs that can be considered "bilingual education." If these changes are enacted, some students now receiving services would be denied participation in the program; other students would see the effectiveness of their services decline.

Education for the Handicapped (P.L. 94-142) The administration's proposals for P.L. 94-142 include

- decreasing funding for P.L. 94-142 by 2 percent, from a current funding level of \$1.239 billion to \$1.214 billion for fiscal year 1985. Funding for state grants would remain constant. The administration claims that maintaining level funding for state grants will permit the federal government to pay 8 percent of the excess cost of educating a handicapped child - the same portion as this year. This is a significant decline from the high of 12 percent. The proposal does not provide for inflation and ignores the lower level of services that has already resulted from previous years' budget cuts and inflation. It would result in a continuing decline in services for handicapped children.
- reducing funds for deaf-blind centers by 20 percent. These

centers provide direct services to 6,000 deaf-blind children and technical assistance to the states in their efforts to educate this population. The Department of Education intends to shift the emphasis of these centers away from direct services to the students and toward technical assistance to the states. This budget cut will result in a significant decline in the number of students served.

- reducing funds for personnel development by almost one-third. This would significantly reduce federal support for the pre-service and inservice training of special education teachers.
- reducing grants for research, development, and demonstration of innovative programs by 20 percent.
- reducing funds for efforts to determine the effectiveness of education programs for the handicapped by one-third.
- maintaining other special programs (severely handicapped projects; early childhood education; secondary and transitional services; post secondary programs; media services; regional resource centers; and recruitment and innovation) at their current level. This would not cover the administration's own projections for inflation for fiscal year 1985.

Other Programs The administration's proposals include

- increasing funding for the Education Block Grant (Chapter II of the Education Consolidation and Improvement Act) by \$250 million. This is the centerpiece of the administration's alleged efforts to "restore excellence" to the public schools. The administration claims this money will be used for "implementing reforms recommended by the Commission on Excellence," but its proposal ensures nothing of the sort. \$235 million will be spent at the discretion of state and local governments. Thus far, little if any block grant money has been used to implement reforms recommended by the National Commission or by any other panel. The combination of no federal guidance and virtually absolute state and local discretion in the expenditure of these funds makes the administration's "reform initiatives" speculative at best.
- eliminating several small education programs, including Women's Education Equity, Follow Through, and Desegregation Training and Advisory Services. The elimination of these programs, along with the proposed increase in Chapter II, would continue the trend begun with the creation of the Education Block Grant in 1981 to shift funds away from large urban school districts and from poor and minority children and instead to spread these funds across the country.

- reducing the federal effort in vocational education. In a change from past years, the administration is not proposing to consolidate the vocational and adult education programs and to cut their funding. Instead, the administration proposes a "simplified and consolidated" vocational education grant to the states funded at its current level. Past budget cuts combined with inflation would mean a significantly reduced federal effort in vocational education. In the past this has meant that programs for historically underserved populations suffer the most. The proposed elimination of various substantive requirements in the Vocational Education Act would mean almost eliminating state and local efforts on behalf of sex equity and disadvantaged students.
- reducing federal programs for disadvantaged college students. The administration once again is attempting to reduce financial support for special tutorial programs for disadvantaged college students (TRIO). The administration's proposal would cut funding for TRIO in half and require participating educational institutions to provide matching funds. Obviously, if institutions are unwilling or unable to provide this match, students at these schools will suffer.
- restructuring federal financial assistance for post-secondary students. The administration would eliminate the Pell Grant, Supplemental Grants, and State Incentive Grants. The administration has dubbed this a "self-help" proposal, but it would actually provide students 9 percent less money. Moreover, students would be expected to provide at least \$500 or 40 percent of their educational expenses, whichever is greater. This will be a significant barrier for poorer students and may cause them to drop out of school.
- freezing the Guaranteed Student Loan Program for post-secondary students. The administration claims an increase in funding for the Guaranteed Student Loan Program (GSL) of almost \$600 million. This increase is due to the drop in interest rates in fiscal year 1983, not to program expansion. That fiscal year the GSL program cost \$700 million less than the amount appropriated. Those funds were carried over in fiscal year 1984 and reduced the necessary appropriation from \$2.9 billion to \$2.26 billion. Without any carryover funds from fiscal year 1984, the federal appropriations must cover the full cost of the program -- again about \$2.9 billion. Although the administration assumes a slight increase in the number of students participating in the GSL program (about 3 percent) and in the size of the loans (one-third of 1 percent), its legislative proposals would thus result in a decrease in the number of students eligible for the program and in a "savings" for fiscal year 1985 of \$221.5 million.

- creating a tuition tax credit. The administration's proposal for a tuition tax credit underwent some significant changes last year in response to the Supreme Court's decision in Mueller v. Allen upholding a particular type of state tuition tax credit. Nevertheless, the administration's proposal was decisively defeated in the Senate. The administration estimates the cost of its proposal (in lost tax revenue) to be \$337 million in fiscal year 1985, \$594 million in fiscal year 1986, and \$853 million in fiscal year 1987. Other higher cost estimates were discussed during the Senate debate on this proposal. Despite the changes, this proposal would still primarily benefit upper- and middle-income families and would lead to a shift in support from public to private schools.

EDUCATION: FUNDING AND BUDGET REQUESTS FY 1981-FY 1985
(in millions of dollars)

program	FY 1981 actual	FY 1982 proposed	FY 1982 actual	FY 1983 proposed	FY 1983 actual	FY 1984 proposed	FY 1984 actual	FY 1985 proposed
Chapter I Compensatory Education	3,104	2,474	3,034	1,942	3,200	3,014	3,480	3,480
Chapter II	632	519	470	433	479	479	479	729
Bilingual Education	161	127	138	95	138	95	139	139
Education of the Handi- capped	1,025	784	1,069	846	1,199	1,110	1,239	1,214
Vocational Education	682	549	656	443 ^a	729	443 ^a	738	738
Women's Educa- tional Equity	8	0	6	0	6	0	6	0
Follow Through	26	0	19	0	19	0	15	0
Desegregation Training	37	0	24	0	24	0	24	0
Libraries	84	58	80	0	130	0	87	0

^a proposed to include in block grant with Adult Education.

Chapter 9

Children with Special Needs

Peter is 11 years old and is severely disturbed. His father, who deserted the family some years ago, was an alcoholic and frequently abused Peter and other family members. After Peter's mother beat him severely for not listening to her, she was charged with child abuse. While the court decision about her was pending, the mother tried to commit suicide and was hospitalized. Then, while the court was deciding whether it was in Peter's best interest to remove him from the home, it placed the boy in jail for five days. At that point the court gave legal custody of Peter to the child welfare department, but the department had no place for him. The state's emergency shelter staff felt they could not handle him and there were no residential treatment programs or therapeutic foster homes in Peter's state. So the court sent Peter back to his mother when she returned home from the hospital. It arranged no services for mother or child and left legal custody of Peter with the child welfare agency.

CHILDREN WITH SPECIAL NEEDS ARE TOO EASILY PUSHED ASIDE

Children like Peter with special needs are some of the most vulnerable people in our nation--children whose problems will not just go away, and who are clearly in need of President Reagan's "safety net." They include the more than 1 million children who are abused and neglected each year; the 500,000 children who are growing up in foster care, waiting for families to take them back or adopt them; the 1.2 million to 1.5 million children who run away or are left homeless annually; at least 3 million seriously emotionally disturbed children; and some 500,000 children under 18 who end up in local jails every year. Many are living away from their families in institutions or foster homes or on the streets. Others live at home but without the services that could make their lives bearable and productive.

The federal government has traditionally not done enough for these children. The programs to serve them have been small and underfunded. Their care has been left primarily to state and local agencies, with federal programs created only after it has become clear that no one is meeting these children's needs.

In some senses all these children have similar needs. For example, over one-third of runaways report having been physically or sexually abused at home; over one-fourth of the children in local jails are there for status offenses like running away that would not be considered a crime if committed by adults. Most of these children require services from multiple agencies to meet their varied needs for education, counseling, health care, a place to live, and vocational skills.

In other ways, the needs of these children are highly individualized. Their problems, like Peter's, are complex and difficult for social service agencies to treat properly, especially when these agencies are already overwhelmed with cases and inadequately funded. Given the current budget cuts, it becomes easier to set these children aside and to avoid the frustrating task of coordinating or providing services for them.

President Reagan's policies have made the situation worse for these children. He has cut funds for the federal programs that ensure they receive some attention and he has removed basic supports from needy families, who then place new, additional demands on the agencies that serve troubled children. (See the table at the end of this chapter for information on budget cuts.) Over the past three years, the Reagan administration has repeatedly tried to eliminate or reduce funding for the 11 federal programs designed to serve different populations of children with special needs, including those authorized under the Adoption Assistance and Child Welfare Act of 1980, the Child Abuse Prevention and Treatment Act, the Juvenile Justice and Delinquency Prevention Act, and the Runaway and Homeless Youth Act. Although plans to merge these programs with other social services for children and families have failed, the needs of these children are less well met today than in 1980. In some cases the administration has also attempted to eliminate crucial legal protections for abused and neglected children and for those in foster care and in the juvenile justice system.

At the same time, cuts in other federal programs and the recession have thrown an increased number of families on the mercy of social service agencies making it more likely that the needs of seriously troubled children will be ignored and that their numbers will grow.

More Troubled Families, Less Help The increased demand on social service agencies for essentials like food, clothing, and housing by families who cannot meet basic survival needs has swallowed up the agencies' limited time and resources and forced them to turn their attention away from troubled children.

At the same time, many of these financially strapped families are contributing to increases in reports of child abuse and neglect and to demands for foster care. For example, staff with the Division of Youth and Family Services in Mercer County, New Jersey, stated that half of the children placed in foster homes during the winter of 1983 were there because of problems such as a lack of medical care or their families' inability to pay utility bills. Lack of adequate housing was also directly related to instances of neglect.

A number of Ohio counties report that while the state's Emergency Assistance Program has been cut, demands for emergency aid have climbed. For example, in Montgomery County in the first six months of 1982, requests for emergency assistance rose 250 percent, and only 19 percent of the requests could be filled. The number of dependency and neglect cases in the county increased about 40 percent during that time.

Greater Number of Abused and Neglected Children Most professionals agree that when unemployment and financial stress rise, abuse and neglect tend to increase. Nothing speaks more clearly than the statistics of the last few years.

The American Humane Association found that documented reports of child abuse and neglect more than doubled between 1976

and 1981. Reports of abuse and neglect exceeded 929,000 by 1982, an increase of over 9 percent from the year before.

Similarly, an opinion survey by the National Committee for Prevention of Child Abuse found that reports of child abuse climbed in all but six states between the fall of 1982 and 1983. About four-fifths of the states also found significant increases in reports of severe abuse; four-fifths also found noticeable increases in reports of sexual abuse. Many states reported an increase in child abuse deaths.

Public social service programs also had more referrals, saw clients with more severe problems, and had more clients facing economic hardships due to unemployment and the loss of benefits than in past years, according to a survey of child abuse and neglect services conducted by the American Humane Association in 1983.

Such finding are reflected in individual states and nationally. For example, Maine had a 13.5 percent increase in child abuse and neglect referrals between 1982 and 1983, to 13,000 children in 1983. Cases of physical and sexual abuse rose to 43 percent of the caseload. Reports of child abuse and neglect increased by 32 percent in North Dakota between fiscal years 1980 and 1983, with about half the cases substantiated. Because many of the cases were so severe, foster care placements increased.

Reports of child abuse and neglect are even higher in areas where families are without jobs and benefits. Michigan has an estimated 38,000 cases under investigation and more of these cases involve severe physical abuse than in the past. In Stark and Williams counties, North Dakota, reports of child abuse have increased substantially in the last three years as unemployment has more than doubled. One child abuse center located in North Philadelphia, where unemployment has been as high as 45 percent, is seeing two times as many families and many more severe cases of abuse, although its staff was cut by over one-fourth about eight months ago.

Children and Families Going Homeless Social service agencies are also being faced with a growing number of homeless children and families. In New York City, for example, the number of homeless families increased from 950 a month in the summer of 1982 to 2,200 a month in the fall of 1983. It is expected to jump to 3,200 a month this year. The average stay per family increased from four months to six during 1983. Emergency shelter for these families, which at last count included about 13,000 children each year, costs about \$1,200 a month per family. It is often provided in hotels for transients.

More and more adolescents are also going homeless and without appropriate services. In the northeast United States the cost of providing food, clothing, and housing to a 16-year-old is 31 percent higher than the cost of caring for a six-year-old. Families in financial difficulty are being forced to leave their older children out on their own. Some child welfare systems have also responded to increased budgetary pressures by terminating their responsibility for more adolescents at age 19 rather than age 21.

Although federal funding for runaway shelters has increased since 1981, so has the number of homeless children ages 18 through 20 who are technically too old to be eligible for runaway services. These young adults are appearing in New York City shelters in increasing numbers. Advocates have estimated the number of homeless children in New York City to be 20,000, a large number of whom have been discharged from foster care or from various detention or mental health facilities. Even lower estimates of the number of homeless youth show large gaps between the number of those needing help and the range of available services. Youth Emergency Services in St. Louis, for example, reports a 33.5 percent increase in the use of their runaway shelters in the first six months of 1983 compared with 1982. However, the program's funds from its state contracts have been cut 25 percent. The hotline for Second Mile House in Prince Georges County, Maryland, estimates that requests for assistance

will reach 6,000 for fiscal year 1984, a substantial increase over the 3,700 calls received in fiscal year 1982. However, the program has only received a slight funding increase to meet additional demands.

Limited Preventive Services States that have been faced with budget cuts and with a growing number of families in crisis situations have cut back on preventive services that could avert crises and help keep troubled children with their families. In many states--including Texas, Wisconsin, Iowa, Nebraska, Indiana, Alabama, Florida, Massachusetts, New Jersey, Delaware, and Rhode Island--budget cuts and staff shortages have reduced or deferred the availability of preventive care. A survey by the National Committee for Prevention of Child Abuse reported that because of dramatic increases in the caseloads for which workers are responsible, some agencies were prioritizing cases, giving attention only to those involving physical abuse or young children. The Committee reports that 12 states have chosen to focus only on "really serious" cases or on those involving children under a certain age. Texas, for example, had to limit the availability of child protective services only to children whose health or safety is in danger. Child welfare staff in Mercer, Essex, Union, and Bergen counties, New Jersey, and in Newark report that only the most severe cases are being served; families in which neglect rather than abuse is involved are not likely to get help.

There is also less focus on prevention for emotionally disturbed, runaway, and homeless youth. California's mental health budget has been cut by \$22 million in the last two years, and a \$500,000 primary prevention program to help keep troubled young school children out of the mental health and juvenile justice systems has been eliminated. The Greenhouse, an emergency shelter and crisis counseling center for runaway and homeless youth in New Orleans, has had to limit its program to

children who are already in state custody or are at immediate risk of being abused. Budget cuts prevent the program from helping children who voluntarily seek assistance.

Although many states have tried to cushion the effect of federal budget cuts on child welfare services and have not laid off staff, vacancies have not been filled. The increased demands on remaining workers account in part for the reduced focus on prevention. Thus, in Hinds County, Mississippi, each foster care worker is now responsible for about 40 children. With three of the county's seven foster care positions frozen, the workers have little or no time to think about prevention. They can focus only on the crises at hand. Budget cutbacks that force agencies to forego services that could help troubled children when problems have not yet reached crisis proportions are not wise. They only result in greater numbers of children appearing at agency doors with more serious and entrenched needs later on.

HOW PRESIDENT REAGAN HAS WEAKENED PROGRAMS FOR CHILDREN WITH SPECIAL NEEDS

President Reagan has consistently tried to cut the programs that help troubled children. For fiscal year 1982 he proposed consolidating the Child Abuse, Child Welfare, Adoption Assistance, Juvenile Justice, Runaway Youth, and Title XX Social Services programs with a number of other human services programs in a block grant with a funding cut of over 25 percent. This proposal would have eliminated essential protections for children that are contained in the Adoption Assistance and Child Welfare Act of 1980 and in the Juvenile Justice and Delinquency Prevention Act. Congress rejected the President's proposal, although it did cut funding for all of these programs except Runaway Youth. Congress also replaced Title XX with a Social Services Block Grant and cut its funding by 21 percent. The block

grant eliminated any targetting on low-income families and any requirement that states match federal funds with state dollars.

That same year President Reagan proposed an Alcohol, Drug Abuse, and Mental Health Block Grant that eliminated the new Mental Health Systems Act passed by Congress in 1981. This Act, which never had a chance to be implemented, would have provided states and counties with limited funds to improve the delivery and coordination of services for seriously emotionally disturbed children and adolescents. The new block grant passed by Congress also included the community mental health centers program. It included no special funding for the children's services as the Mental Health Systems Act had done. In fiscal year 1982 the block grant was funded at \$439 million, more than 26 percent below the level at which the individual programs that now make up the block grant were funded in 1981.

In fiscal year 1983 President Reagan tried a second time to eliminate both the Adoption Assistance and Child Welfare Act and the Juvenile Justice and Delinquency Prevention Act. He also proposed deep cuts in the Runaway and Homeless Youth Program, the Social Services Block Grant, and the state grant portion of the Child Abuse Prevention and Treatment Act, which provides funds to state agencies that respond to reports of abuse and neglect. Moreover, he proposed merging the child abuse demonstration funds with other human services monies for research and demonstration. Congress maintained both the Adoption Assistance and Child Welfare Act and the Juvenile Justice and Delinquency Prevention Act, with no cuts or increases. Money for Adoption Opportunities, part of the Child Abuse Prevention and Treatment Act, dropped from \$5 million in fiscal year 1981 to \$1.9 million in fiscal years 1982 and 1983. However, the state grants portion of the child abuse program was not cut again in fiscal year 1983. Child abuse research and demonstration was funded at its previous year's level of \$9.5 million and was not included in a block grant. In 1982 and 1983, Congress also provided about \$5 million for child

abuse prevention and treatment programs for military families. The Social Services Block Grant and the mental health block grant were maintained at their fiscal year 1982 levels, and the Runaway and Homeless Youth Act was increased to \$21.5 million due to heightened attention to this issue by Congress and the public.

President Reagan proposed to keep many of the programs for children with special needs at their previous year's funding levels for fiscal year 1984, including Title IV-B Child Welfare Services, the mental health block grant, the state grants for child abuse, and the Adoption Assistance Program. However, he again proposed eliminating the entitlement nature of the federal foster care program, the Juvenile Justice and Delinquency Prevention Act, and funding for research and demonstration programs related to child abuse and other child welfare-related activities. He proposed a 10.5 percent cut in the Social Services Block Grant and over a 50 percent cut in the Runaway and Homeless Youth Act. Congress rejected all these proposals. It continued funding the military child abuse programs and even increased funding for Child Welfare Services, the Social Services Block Grant, and Runaway and Homeless Youth. Congress refused to cut any more funds from programs for children with special needs. On its own initiative, Congress also instituted a \$1.5 million demonstration program in child mental health to help meet the needs of seriously disturbed youth.

WHAT PRESIDENT REAGAN PROPOSES FOR FISCAL YEAR 1985

Despite increasing reports of abuse and neglect, increasing numbers of homeless youth, and escalating pressures on families resulting in new demands for services, the President's fiscal year 1985 budget further reduces the dollars available to support children with special needs. The President's proposals ignore the need for a renewed investment in preventive services for

abused and neglected children, disturbed youth, homeless youth, and those in trouble with the law. The President proposes:

- eliminating the Juvenile Justice and Delinquency Prevention Program. For the fourth year in a row the President has proposed zero funding for programs to prevent juvenile delinquency and to provide appropriate services for troubled youth, now funded at \$70 million. The Juvenile Justice and Delinquency Prevention Act needs to be reauthorized by Congress in fiscal year 1985.
- reducing funds for the Runaway and Homeless Youth Program by 54 percent, from its current level of \$23.3 million to 10.5 million. A survey by the Inspector General's Office in the Department of Health and Human Services shows that federally funded runaway programs sheltered only one in 12 of the children identified as needing these services in 1983. The Runaway Youth Program currently funds 226 shelters; President Reagan proposes to support only 170 runaway and homeless youth programs. The Runaway and Homeless Youth Act needs to be reauthorized by Congress in fiscal year 1985.
- reducing by 80 percent funds for child abuse and other human service research and demonstration programs, and continuing to fund the child abuse state grant program at only \$6.7 million. The President has not proposed an increase for child abuse funding even though reports of abuse and neglect have continued to climb. Proposed funding for a variety of discretionary human service research and demonstration programs is only \$4 million--80 percent below the fiscal year 1984 level, which included \$19 million for child abuse and child welfare activities alone. The President also proposes eliminating the \$10 million child welfare research program.
- expanding the scope of services funded under the Social Services Block Grant to include responsibility for those activities now carried out under the Community Services Block Grant with no increase in funding. The Community Services Block Grant would be abolished and its services--such as programs to help people secure employment and to provide housing and emergency assistance--would have to be picked up by the Social Services Block Grant without any additional funds. Funding for the block grant would be \$2.7 billion--a net cut of \$342 million in the current combined funding level for both programs. Moreover, while Congress funded the Social Services Block Grant at \$2.7 billion for fiscal year 1984, the administration has announced that it plans to spend only \$2.675 billion this year, in spite of the substantially increased need for protective services and other Title XX activities.

- maintaining Title IV-B Child Welfare Services at its current level of \$165 million and merging with it the \$4 million Child Welfare Training Program. The \$169 million recommended for these programs still falls far short of the amount needed to help states provide services to families to prevent unnecessary foster care and to ensure that children in care are reunited with their families or provided new permanent families through adoption.
- reducing funding for the federal Foster Care Program. Although the President's budget proposal of \$460 million for foster care reflects a \$20 million increase over initial fiscal year 1984 funding, the proposal falls \$18 million short of actual anticipated fiscal year 1984 expenditures for foster care. The President also proposes changing the fundamental nature of this program from one providing funds to states for all eligible children in foster care (an entitlement program) to one that allows "that payments to any state may be adjusted by the Secretary based upon foster care status." We do not yet know precisely what change the administration intends to propose by this language.
- increasing funding for the Adoption Assistance Program. The \$13 million requested for the Adoption Assistance Program authorized under Title IV-E of the Social Security Act is \$3 million above the \$10 million in fiscal year 1984 expenditures anticipated for this entitlement program. This increase will help agencies provide adoptive families for children with physical, mental, or emotional handicaps who would otherwise linger in foster care. However, the President's budget also eliminates special funding for the \$1.9 million Adoption Opportunities Program and proposes to finance these activities under the broader human resources research and demonstration authority. Adoption Opportunities funds were targeted in part on efforts to involve adoptive parents and other volunteers in helping to provide permanent families for children.
- increasing funds for the Alcohol, Drug Abuse, and Mental Health Block Grant and eliminating the Community Support Program, which includes money for the special children's mental health initiative created by Congress in fiscal year 1984. For the first time in three years, the President's budget proposes an increase in the mental health block grant of \$10 million. However, the administration requests no funds for the \$7 million Community Support Program, which currently includes \$1.5 million to improve interagency coordination on behalf of seriously emotionally disturbed children and adolescents.

These proposals for programs targeted on children with special needs come on top of proposed reductions in basic subsistence programs, like Aid to Families with Dependent Children, Medicaid, and Food Stamps, that will continue to cause more families to turn for help to the child welfare, social service, and mental health systems.

CHILDREN WITH SPECIAL NEEDS: FUNDING AND BUDGET REQUESTS FY 1981-FY 1985
(in millions of dollars)

<u>program</u>	<u>FY 1981 actual</u>	<u>FY 1982 proposed</u>	<u>FY 1982 actual</u>	<u>FY 1983 proposed</u>	<u>FY 1983 actual</u>	<u>FY 1984 proposed</u>	<u>FY 1984 actual</u>	<u>FY 1985 proposed</u>
SSBG/Title XX	2,991.8	-- ^a	2,460.0	1,974.1	2,456.0	2,560.0	2,700.0	2,700.0
Child Welfare Services	163.0	-- ^a	156.3	-- ^d	156.3	156.0	165.0	169.0
Child Welfare Training	5.2	-- ^a	3.8	-- ^d	3.8	-- ^f	3.8	-- ^h
Child Welfare Research	11.0	-- ^b	11.0	-- ^e	10.3	-- ^g	10.0	-- ⁱ
Foster Care	327.8	-- ^a	321.6	-- ^d	395.0	440.0	440.2	460.0
Adoption Assistance	5.0	-- ^a	5.0	-- ^d	5.0	5.0	5.0	13.0
Child Abuse State Grants	6.9	-- ^a	6.7	4.6	6.7	6.7	6.7	7.0
Child Abuse Discretionary Grants	16.1	-- ^b	9.5	-- ^e	9.5	-- ^g	9.5	-- ⁱ
Adoption Opportunities	5.0	-- ^b	1.9	-- ^e	1.9	-- ^g	1.9	-- ⁱ
Runaway Youth	11.0	-- ^a	10.5	6.6	21.5	10.5	23.2	10.5
Juvenile Delinquency Prevention	100.0	0	70.0	0	73.0	0	70.2	0
Alcohol, Drug Abuse, and Mental Health Block Grant	691.0	-- ^c	428.0	432.0	439.0	439.0	462.0	472.0

- a Proposed to consolidate in a \$3.8 billion Social Services Block Grant for FY 1982; this is 25 percent below the FY 1981 funding level for the programs proposed to be included in the block grant.
- b Proposed to consolidate in a \$63 million social services discretionary pot for FY 1982; this is \$23 million, or 27 percent, below the FY 1981 funding level for the programs proposed to be consolidated.
- c The programs eventually included in the Alcohol, Drug Abuse, and Mental Health Block Grant were originally proposed for inclusion in the Health Services Block Grant, to be funded at \$1.1 billion for FY 1982.
- d Proposed to consolidate in a Child Welfare Block Grant for FY 1983, with a 23 percent cut in funding from FY 1982.
- e Proposed to consolidate in a \$31 million pot for human resources research and demonstration activities, with funding to be at the same level as in FY 1982.
- f Proposed to combine with Child Welfare Services for FY 1984, with funding to be cut by 2.4 percent from FY 1983 levels.
- g Proposed to consolidate in a \$9 million pot for human resources research and demonstration activities, with funding \$13 million, or 59 percent, below the FY 1983 funding level for the programs to be consolidated.
- h Proposed to combine with Child Welfare Services, with funding to remain at the same level as in FY 1984.
- i Proposed to be consolidated in a \$4 million human resources research and development pot for FY 1985, with funding \$17 million, or 81 percent, below the FY 1984 funding level for the programs to be consolidated.

Chapter 10

Child Care

Jane Anderson had a baby in the fall of her senior year in high school and went on to earn her high school diploma by attending special classes for teenage parents that provided a nursery for babies. Jane married the child's father, but when the marriage failed, she and her child were on their own.

After a year on welfare, Jane decided to continue her schooling so that she could eventually support herself and her daughter. She applied for and received a grant to pay for more schooling. She also applied for child care assistance. However, in August, when she checked on the likelihood of receiving child care, she was still on the waiting list. By the time funds were available for child care in November, Jane had been forced to forfeit her educational grant. She had no one to care for the baby while she was in school and could not pay for child care by herself.

MILLIONS OF CHILDREN LEFT ALONE WHILE PARENTS WORK

The availability of child care lags so far behind the demand for it that approximately 7 million children 13 years old and under, or more than one in six, may be going without adult supervision for part of each day. The need for infant care is climbing as is the demand for after-school programs. As more parents of young children work, child care needs will become an even greater problem.

Today almost 46 percent of mothers with children under three and almost 57 percent of those with children ages three to five are in the labor force. By 1990 at least half of all preschool children--11.5 million--and 60 percent of all school-age children--17.2 million--will have working mothers.

Despite the obvious need for child care, in the past three years the Reagan administration has cut federal programs that support child care without regard to consequences. (See the table at the end of this chapter for information on budget cuts.) Title XX, the largest program providing federal support directly for

child care, has been cut 21 percent. Child nutrition programs that provide meals to children in child care centers and homes have been slashed by 30 percent. The Public Service Employment Program of the Comprehensive Employment and Training Act (CETA), which used to provide staff for child care centers, has been abolished. Child care support available to poor families through the Aid to Families with Dependent Children (AFDC) program has been reduced. The numerous federal programs that support Head Start and its families--including AFDC, Food Stamps, Medicaid, and the Special Supplemental Food Program for Women, Infants, and Children--have been cut.

As a result of federal budget cuts, 32 states provided child care to fewer poor children in 1983 than in 1981; 33 states cut child care funding. In just three years, total combined federal and state spending for Title XX child care dropped 14 percent.

These cuts have hurt poor families, particularly those headed by women. Most of the families using Title XX are headed by single women who need to work out of economic necessity. Two-thirds of women in the labor force are the sole providers for their children or have husbands who earn less than \$15,000 a year. Over one-third of single-parent working families live below the poverty level. Most of these families are headed by women.

Even before the federal budget cuts, the public child care assistance available to these women and their families was limited. In fiscal year 1980, Title XX helped subsidize care in licensed child care centers and in family day care homes for some 750,000 low- and moderate-income children at a cost of \$650 million.

Budget cuts between 1981 and 1983 have made the shortage of Title XX child care worse. The waiting lists for care are enormous: Massachusetts has a waiting list of 6,000 children; Florida, 4,000; Georgia, over 5,000. And this does not include the mothers who fail to sign up on a waiting list when child care is not immediately available.

While the waiting lists grow, the number of children served shrinks: Between 1981 and 1983 Illinois dropped from serving 28,100 children to 18,000; Delaware, from 2,039 children to 995; Virginia, from 19,505 children to 15,681; New Hampshire, from 4,000 children to 3,000. The damage goes on and on. There is no indication that the children who have lost services are getting care elsewhere.

Poor women who need child care so they can attend training and education programs that would help them secure a job and earn more money are finding that child care is unavailable. Many states and counties already had short-sighted policies that limited the child care available to women in school or in training before 1980. In the past three years, 20 states have made it even harder for poor mothers who are trying to improve their education or job skills to receive child care subsidies.

Another group that has been hurt by budget cuts in Title XX is working families that can barely make ends meet. States determine what portion of their Title XX allotment is used for child care and who is eligible for services. Even before 1980, many states had income guidelines governing who could receive child care that excluded families earning little more than poverty-level wages. Texas, for example, limits child care subsidies to families earning 47 percent or less of the state's median income, or \$11,006 for a family of four. Since 1980, 10 states have tightened these income requirements even further, making fewer low-income working families eligible for child care. Nineteen states have imposed new minimum fees on child care services or have increased previous fees, so that low-income parents are finding it harder to afford the care that is available.

Finally, federal changes in AFDC law have caused thousands of poor working families to lose welfare. Because many states tie Title XX assistance to eligibility for AFDC, these families have lost publicly funded child care.

As a result of all these changes, low-income working parents have had to choose between moving their children to less supportive child care arrangements so that they can continue working or leaving their jobs so that someone is home to take care of the children. Many children have lost child care entirely or have been bounced from caregiver to caregiver. For example, an Elizabeth, New Jersey, child care director states that parents who are desperate for assistance have turned to an "underground network" of low-cost, poor quality care that is not sanctioned by the state or community. In some cases, one adult is caring for as many as 16 young children.

States have tried to maintain their meagre child care programs, but most of these efforts to juggle funds and children provide temporary solutions. States have taken advantage of short-term supplies of funds, such as dollars gained from the decline in AFDC caseloads or money received under the federal Emergency Jobs Bill. States have also taken money from one program serving children and families to shore up another, and have switched families from one form of child care assistance to another, such as from Title XX child care to reimbursement for child care expenses through AFDC's IV-A Child Care Disregard. States will not be able to maintain indefinitely even these stopgap measures.

In addition, states are cutting back on the quality of child care they are providing. In the past three years, 24 states have reduced funds for training child care workers, 33 have lowered the standards for Title XX child care programs, and 32 have cut back on the number of child care staff. Low reimbursement rates for Title XX child care continue to plague the system and further constrain the quality of care that can be offered. In states like Delaware the payment for family day care providers is so far below market costs that many providers are not willing to care for Title XX-funded children.

In the midst of this growing problem, President Reagan continues to point toward the private sector for help. The administration's principal affirmative effort in child care--through its "private sector initiative"--involves holding meetings and luncheons for corporate officials in a dozen cities to talk about what they can do to assist in providing child care for their employees. This approach has not helped the many low-income families suffering from state and federal budget cuts.

HOW PRESIDENT REAGAN HAS CHANGED CHILD CARE SINCE 1981

Title XX In fiscal year 1982 the Reagan administration proposed, and Congress agreed, to replace the Title XX Social Services Program with the Title XX Social Services Block Grant, and to cut its funding by 21 percent. The block grant eliminated a requirement that \$200 million in Title XX funds be set aside for states to spend for child care only. It also abolished a separate Title XX training program. The block grant dropped a requirement that states supply \$1 for every \$3 in federal Title XX money received.

President Reagan proposed an additional 17 percent cut in the block grant for fiscal year 1983. Congress rejected this proposal.

For fiscal year 1984 the administration proposed combining the Title XX Block Grant with the Community Services Block Grant and funding both programs together at \$2.5 billion--a net cut of \$298 million from the fiscal year 1983 funding level for the two, separate programs. Title XX would have had to pick up those services formerly covered under Community Services. Congress rejected this proposal and funded Title XX at \$2.7 billion for fiscal year 1984 (this included an automatic funding increase of \$50 million, enacted the previous year). However, this is still \$600 million below what Title XX would have been funded at if Congress had not cut it back in 1981.

The Child Care Food Program The Child Care Food Program is another key source of federal support for child care and helps defray the costs of meals provided to children while they are cared for in day care centers or family day care homes. About 70 percent of the children who receive meals under the program are poor. In fiscal year 1982 the Child Care Food Program was cut by 30 percent. In addition, day care centers and family day care homes were limited to serving two meals and one snack to children each day, no matter how many hours the children were kept in care. In fiscal year 1983 the administration proposed eliminating all Child Care Food funds for family day care homes. The remaining funds for meals provided in day care centers were to be combined with funding for the School Breakfast Program into a block grant. This would have resulted in a 20 percent cut in funding on top of fiscal year 1982 reductions. Congress rejected this proposal.

The administration again proposed eliminating all Child Care Food funds for family day care homes and combining the Child Care Food Program, the School Breakfast Program, and the Summer Food Service Program into a "General Nutrition Assistance Block Grant" for fiscal year 1984. Funds would have been slashed by almost 30 percent. Congress again said no. Instead, by an overwhelming majority and over strong opposition from the administration, the House of Representatives passed H.R. 4091, the National School Lunch and Nutrition Act. This act provides enough federal funding for child care programs to offer up to three meals and two snacks to children each day. It also provides funds to improve the nutritional quality of the children's breakfasts and to lower the costs to parents of meals provided to the children of low-income working parents in schools and child care programs. The administration sent all Republican House members a letter urging them to oppose this bill. A similar bill, S.1913, is pending in the Senate and has 52 cosponsors. The Child Care Food Program is currently funded at \$356.9 billion.

Other Programs Cuts in other federal programs have also affected the accessibility and quality of child care. The amount of child care costs that families can be compensated for under the AFDC program was reduced from \$200 a month per child in 1980 to \$160 a month per child in 1981. Many child care programs lost critical staff when the Public Service Employment component of the Comprehensive Employment and Training Act (CETA) was abolished in 1981. Although Head Start's direct funding has remained intact under the administration's "safety net," numerous federal programs that support Head Start and its families--including the Child Care Food Program, CETA, AFDC, Food Stamps, Medicaid, and the Special Supplemental Food Program for Women, Infants, and Children--have been cut.

The Dependent Care Tax Credit Congress began providing a federal income tax credit for taxpayers who require child care for their dependent children in order to work or seek employment in 1976. (A child care deduction has been available since 1954.) The credit is the single largest federal expenditure for child care and is claimed by almost 5 million families, primarily those in the middle- and upper-income brackets. It operates on a sliding scale so that those with lower incomes can claim a credit for a larger percentage of their child care expenses. The credit cost the federal government about \$1.5 billion in 1982. The maximum credit available is \$720 for one child and \$1,440 for two or more for families earning \$10,000 or less.

Congress raised the amount of child care costs that a family could claim per child under the credit and expanded the credit for low-income families in 1981. For calendar year 1983 the Internal Revenue Service placed a new line for the credit on the 1040A short tax form so that low-income families that do not use the long tax form would have easier access to the credit.

The Economic Equity Act, S.888 and H.R. 2090, now before Congress would make the credit even more accessible to low-income

families by increasing the maximum credit available to these families to 50 percent of actual child care costs and by actually reimbursing families for these child care costs when they do not owe taxes. The administration supports increasing the credit to 30 to 40 percent of a low-income family's actual child care costs for those families earning \$10,000 or less. The administration also wants to phase down benefits for families earning between \$40,000 and \$60,000, and to cap or eliminate the credit for families earning above \$60,000. However, the administration opposes actually paying the credit to families that have incurred child care costs but do not owe taxes.

WHAT PRESIDENT REAGAN PROPOSES FOR FISCAL YEAR 1985

The administration has proposed further cuts in the major programs that provide direct support to low-income families in need of child care by:

- cutting the Social Services Block Grant by adding new responsibilities without increasing funding. The Social Services Block Grant would include responsibility for those activities now carried out under the Community Services Block Grant and funding the new block grant at \$2.7 billion -- a net cut of \$342 million in the current combined funding level for both programs. The Community Services Block Grant would be abolished and its services would have to be picked up by the Social Services Block Grant without any increase in funds. In addition, while Congress funded the Social Services Block Grant at \$2.7 billion for fiscal year 1984, the administration has announced that it plans to spend only \$2.675 billion.
- combining the Child Care Food Program and the Summer Food Program into a Non-School Food Assistance Grant at a level of \$443.7 million. Currently the benefits of these programs are available on an entitlement basis guaranteeing that children enrolled in child care programs have access to nutritionally sound meals. Capping the programs would force states to choose between groups of needy children and would curtail the growth of the Child Care Food Program at a time when more children are needing these meals because of the growth of working mothers.
- eliminating the Work Incentive (WIN) Program. This program

provides child care for low-income parents in work or training programs. Elimination of WIN will make it even more difficult for many families to become self-sufficient or keep their jobs.

- expanding the sliding scale for the dependent care tax credit to 40 percent and eliminating the credit for families earning above \$60,000 a year. While these would be positive changes in the dependent care tax credit, they are not as generous as those proposed by Congress in the Economic Equity Act. The Economic Equity Act would expand the sliding scale to 50 percent and provide the credit in cash to families that do not owe taxes. These changes would offer greater assistance to working families, particularly to those too poor to owe any taxes who cannot now take advantage of the tax credit.

CHILD CARE: FUNDING AND BUDGET REQUESTS, FY 1981-FY 1985
(in millions of dollars)

<u>program</u>	<u>FY 1981 actual</u>	<u>FY 1982 proposed</u>	<u>FY 1982 actual</u>	<u>FY 1983 proposed</u>	<u>FY 1983 actual</u>	<u>FY 1984 proposed</u>	<u>FY 1984 actual</u>	<u>FY 1985 proposed</u>
SSBG/Title XX	2,991.8	-- ^a	2,460.0	1,974.0	2,450.0	2,560.0	2,700.0	2,700.0
Child Care	295.0	242.8	270.5	-- ^b	335.2	-- ^b	356.9	-- ^b
Food Program								

^a A large number of programs were proposed for inclusion in the Social Services Block Grant; total funding for the block grant would have been cut by 25 percent.

^b Proposed to repeal, include in block grant; funding would have been cut by 27 percent in FY 1983 and by 30 percent in FY 1984; if the block grant for FY 1985 is passed, funding will be cut by 4 percent.

Chapter 11

Head Start

"What a state of mind I was in," recalls Ruthann Hull. When a staff member from the Head Start program in Providence, Rhode Island, knocked on her door in 1967, Ruthann Hull was a recently separated 35-year-old mother with nine children. She was on public assistance and felt alone and useless. At the staff member's suggestion, Ms. Hull enrolled her twin boys, Raymond and Richard, in the Head Start program and began volunteering in the classroom. Eventually, she got a job as a Head Start family worker. Head Start trained her for the position and helped her earn a high school equivalency degree.

Both boys graduated from Head Start and grade school and then went on to complete high school in 1981. Raymond is now studying at the University of Rhode Island; Richard, at the University of Bridgeport, Connecticut. Ms. Hull is now a Head Start classroom teacher and is continuing her own education at a local college. Recalling her life before Head Start, she says, "I was so depressed and wondering where I was going. I knew what I wanted for my family, but did not know where to go or whom to turn to. The strength and inner peace--but most of all the friendship--from the Head Start family helped me reach my goals."

"SAFETY NET" PROGRAM HURT BY BACK DOOR BUDGET CUTS

Project Head Start is designed to help poor preschoolers by addressing their physical, social, and intellectual development and the needs and well-being of their families. Over 90 percent of all Head Start families live below the poverty line of \$9,862 for a family of four. Almost two-thirds of all Head Start children are minority; about 12 percent are handicapped.

Head Start has been widely recognized as one of the most cost-effective and successful federal programs for children. Its unique approach emphasizes direct parent involvement, strong community support, and deep commitment to helping families meet all their needs, whether through Head Start or other community agencies. Hundreds of studies conducted on Head Start since 1970 indicate that compared to other low-income children, Head Start

children score better on standardized tests; achieve more in school and are less likely to fail a grade, drop out, or require special education classes; and are more likely to receive adequate medical care and to be of normal height and weight, with fewer absences from school due to illness and better performance on physical tests. The program's benefits are largest for those children most in need of help--those whose mothers have less than an eleventh grade education and those who come to the program with the lowest intelligence test scores.

Head Start has become more effective over the years because of its continued investment in program changes to improve the quality of services. The impact of Head Start on children's intellectual development was roughly twice as great after 1970 as it was in 1969 and earlier. In the 1970s key program changes were instituted. These included the conversion from summer to full-year programs, the creation of Head Start performance standards to ensure quality, the creation of the Child Development Associate staff training program, and an increased emphasis on parent involvement.

Today almost 415,000 children are enrolled in full-year Head Start programs. Despite this growth, Head Start reaches only 18 percent of the children it could be helping. Over 1,000 counties in the United States do not participate in Head Start, and the waiting lists for existing programs are growing as the number of children living in poverty increases:

- A Providence program that already serves almost 700 children has a waiting list of approximately 500 children. Four programs in Suffolk County, New York, that serve a total of 231 children, have a combined waiting list of about 300 children. A Newark, New Jersey, program has approximately 500 children on its waiting list.

Although the Reagan administration publicly included Head Start among those programs it would not cut in its budget proposals to Congress, it has consistently proposed changes in

Head Start policies that dilute the program's effectiveness and threaten its future viability. In addition, severe budget cuts in other programs from which Head Start families receive support have undermined Head Start's ability to provide quality services. (See the table at the end of this chapter for information on budget cuts.)

In the 1982 fiscal year, elimination of the Public Service Employment component of the Comprehensive Employment and Training Act (CETA) caused Head Start programs to lose 6,000 workers who served more than 50,000 children. That same year the program lost almost \$20 million from the Child Care Food Program, which provides money to serve meals in Head Start and child care programs. It lost approximately \$12.1 million from the Title XX Social Services Block Grant, which funds a variety of social services for Head Start families. Recent reductions in other federal programs, like Medicaid, Aid to Families with Dependent Children, and Food Stamps, have further eroded the ability of Head Start to fulfill its comprehensive mandate:

- A New Jersey director observes that before 1982, two-thirds of the more than 540 children in her program had been covered by Medicaid. Now only half are eligible for Medicaid and the cost of medical services for other children is being assumed by the Head Start budget.
- A Michigan program director noted that in the past, 40 to 50 percent of Head Start parents were working or being trained for a job. Now 90 percent of Head Start parents are totally dependent on welfare, which creates far greater needs for the Head Start Program to meet.
- An Essex County, New Jersey, program reports that since the federal government eliminated Child Care Food funds to help programs purchase food equipment, it has not been able to buy the items necessary to prepare and store food for the children, like a refrigerator.
- In Suffolk County, New York, 700 Head Start families have had their food stamp benefits reduced or terminated. Head Start centers report that cuts in food stamps have led an increasing number of parents to seek help from Head Start to feed their families.

HOW PRESIDENT REAGAN HAS CHANGED HEAD START SINCE 1981

Head Start Funding President Reagan initially adopted the 16 percent increase in Head Start proposed by the Carter administration for fiscal year 1982. This would have raised the program from its fiscal year 1981 level of \$820 million to \$950 million and would have expanded Head Start's enrollment and improved the quality of services. The administration reneged on its previous request in September 1981, however, and recommended that Head Start funding be cut 12 percent, to \$836 million, in a stopgap funding bill for fiscal year 1982. Congress rejected this proposal and appropriated \$912 million for the program.

That same year, Office of Management and Budget Director David Stockman proposed that Head Start be changed into a block grant to states at a significantly reduced funding level. The administration also considered "streamlining" the program's regulations, including its highly effective performance standards which govern program content. The administration pulled back from making such changes only after receiving over 5,000 letters from the Head Start community, educators, child care professionals, and advocates protesting the changes.

In fiscal year 1983 the administration recommended, and Congress approved, a freeze on Head Start's budget at \$912 million. In addition, funding for the Child Development Associate (CDA) program--which assesses workers in Head Start and child care centers and provides them with professional credentials in child care--was cut in half in fiscal year 1983. The CDA program is slated to be eliminated completely by 1985.

To ensure high quality programs, more than 50 percent of the states have incorporated CDA as part of their state licensing requirements for the staff in child care centers. Eighty-nine percent of Head Start programs use CDA as part of their career development plan for staff; 65 percent use CDA to involve parents in the educational component of the Head Start program. Because

of the cuts in the CDA program, candidates have faced an increase in fees from \$35 to \$250 in order to be certified. Given the low salaries of Head Start and child care staff, many will undoubtedly elect not to seek certification, and, therefore, will have less incentive to obtain necessary training. This will ultimately affect the quality of Head Start.

The Reagan administration proposed a \$62.7 million increase in Head Start funding in fiscal year 1984. However, it also sought to slash by 50 percent the portion of Head Start's budget targetted on training, technical assistance, research, demonstration projects, and evaluation. This proposal would have had a serious effect on the success of Head Start. Training and technical assistance are critical to a program that relies heavily on volunteers. For every 15 children in Head Start, 10 parents volunteer their services to the program. Head Start has provided jobs for more than 415,000 Head Start parents and community residents since 1965. Some 75,000 people -- 29 percent of whom were the parents of current or former Head Start students -- were employed in Head Start projects in 1982. The quality of child care that these people provide is closely linked to proper training. Since the administration eliminated the Title XX training program in fiscal year 1982, there is no substitute source of federal funding to meet the training needs of either the Head Start or the child care community.

Similarly, research, demonstration, and evaluation funds have been key to Head Start's success. Not only have they provided a base for developing new approaches to delivering services but also a means of evaluating Head Start's effectiveness.

In 1983 Congress directed the administration not to cut back on Head Start's research or training activities. However, the Department of Health and Human Services has ignored Congress's mandate: research, demonstration, and evaluation funds have been cut and maneuvers within the department threaten the quality of

training and technical assistance.

Child Care Food Head Start children would also be eating less nutritious meals if the administration had had its way last year. Head Start programs receive the bulk of their food monies from the Child Care Food Program, a separate funding source that is automatically adjusted each year to reflect changes in the cost of food. For fiscal year 1984 the administration proposed to move the food funds directly into the Head Start budget and to deny Head Start programs any automatic adjustment to meet rising food costs. The freeze on funds for food would have resulted in an \$8 million to \$9 million loss to Head Start in fiscal year 1984 alone, the equivalent of slots for at least 3,500 children. Congress rejected the proposal.

Grant-Making Process In 1983 the Reagan administration also instituted a new process for awarding grants from the appropriations increase to individual programs. It disregarded the existing grant-making process. The Department of Health and Human Services put the new process into place without first allowing the Head Start community to comment on the criteria that would be used to evaluate grant proposals. When Congress directed the department to provide a public comment period, it grudgingly published the proposed "competitive bidding" criteria for comment, but not for the required 30-day period. Even before comments were in, the department urged programs to submit grant proposals based on the proposed criteria. Twenty members of Congress were so dismayed that they wrote to Health and Human Services Secretary Margaret Heckler expressing their concern about the manner in which the comment period was handled. After receiving more than 1,600 comments, the department republished its original criteria without recognizing a single concern raised by the respondents. The administration's new grant-making process and criteria are still in effect.

WHAT PRESIDENT REAGAN PROPOSES FOR FISCAL YEAR 1985

The administration has recommended funding Head Start at \$1.075 billion. Although this appears to be an increase over the program's fiscal year 1984 funding level, it is not. The additional \$80 million represents the monies that Head Start programs now receive from the Child Care Food Program. The administration proposes for a second time to move the food funds directly into the Head Start budget and to deny Head Start programs the yearly automatic adjustment that the Child Care Food Program receives to meet rising food costs.

The administration claims that 429,100 children will receive Head Start services in fiscal year 1985. However, because the administration's projections do not allow for inflation, at least 20,000 children will actually lose Head Start services. Even this figure is low -- it does not reflect the loss of children who were funded on a "one-time basis" by carry-over funds from last year.

HEAD START: FUNDING AND BUDGET REQUESTS, FY 1981-FY 1985
(in millions of dollars)

program	FY 1981 actual	FY 1982 proposed	FY 1982 actual	FY 1983 proposed	FY 1983 actual	FY 1984 proposed	FY 1984 actual	FY 1985 proposed
Head Start	820.0	911.7	911.7	912.0	912.0	974.7	995.0	995.0
CCFP	295.0	242.8	270.5	-- ^a	335.2	-- ^a	356.9	-- ^a
SSBG/Title XX	2,991.8	-- ^b	2,460.0	1,974.1	2,456.0	2,560.0	2,700.0	2,700.0
CETA ^c Public Service Employment	2,195.0	0.0	100.0	--	--	--	--	--

^a Proposed to repeal, include in block grant; funding would have been cut by 27 percent in FY 1983 and by 30 percent in FY 1984; if the block grant for FY 1985 is passed, funding will be cut by 4 percent; for FY 1984 and FY 1985, the Head Start portion of CCFP would have been transferred to the Head Start budget.

^b A large number of programs were proposed for inclusion in the Social Services Block Grant; total funding for the block grant would have been cut by 25 percent. Many Head Start programs use SSBG monies to provide support services.

^c Head Start programs lost an estimated 6,000 employees when CETA Public Service Employment was eliminated.

Note: Cuts in AFDC, Medicaid, and Food Stamps have hurt Head Start families. For more information, see the relevant chapters in this volume.

Chapter 12

Unemployment

Jake Peters had been working for Bethlehem Steel in Maryland for a decade. He felt that "things were going very well for his family" -- a wife and two young daughters. Four years ago the family bought its first home, and it was slowly paying off a \$545 a month mortgage.

Then in November 1982, Jake lost his job. For almost a year he continued making mortgage payments on the house until his unemployment benefits ran out, his savings dried up, and his wife was forced to seek work. Mrs. Peters brings home \$450 a month in earnings, or \$5,400 a year. That's not nearly enough to keep a family of four living at even the poverty level and is certainly not enough to pay the family's monthly mortgage, utility, and other essential bills. Like so many other families, the Peters may soon lose their home.

CONTINUED HIGH UNEMPLOYMENT IS HURTING CHILDREN

In 1982 the nation's unemployment level reached an all-time high of 23.4 million people, or almost one in every 10 Americans. By March 1983 there were 7 million children with at least one unemployed parent. One million of them had family incomes under \$5,000 in 1982; another 1.3 million had family incomes between \$5,000 and \$10,000.

Half of all families experiencing unemployment receive no federal assistance; 82.8 percent receive no food stamps; 60 percent receive no unemployment insurance. By the end of 1982, 10.7 million people, including spouses and children, were without health insurance because a primary wage earner had lost a job.

Many recently unemployed parents are finding themselves unable to meet their family's basic needs and are in danger of losing their homes. Across the country, families are running out of food before the end of each month, living in unheated houses even in the winter, and going without health care, child care, and warm clothing. The severe stress on unemployed families has even led to divorce, separation, abuse, and neglect.

Although the unemployment rate has dropped from a record high of 10.8 percent in December 1982 to 8.4 percent in December 1983, the problem of long-term unemployment has not improved. Official government figures understate the extent of unemployment in this country by excluding large numbers of unemployed and underemployed workers from their estimates. These include 1.5 million "discouraged workers" who have stopped looking for work because unemployment is so high in their communities and 2.8 million underemployed workers who are working at full-time jobs on a part-time schedule because of the slack economy. A more realistic count of unemployed people would include both these populations as well as the 9.2 million officially unemployed Americans and would total 13.5 million individuals, or an 11.9 percent unemployment rate.

National statistics also conceal far higher unemployment rates among certain groups in this country, many of which are experiencing record high levels of joblessness.

- More than one in every six black Americans is unemployed--that is more than twice the unemployment rate of white Americans. More than one in every nine Hispanic Americans is unemployed.
- Thirty-seven percent of all adult black males have no job. About 60 percent of all black children have a currently employed mother; only 40 percent have a currently employed father.
- Almost one of every five women is the sole source of support for her children. The unemployment rate among women who head families is more than twice that of married men.
- One in two black youth is unemployed. One in six white youth is unemployed.

Even two-parent families that are able to rely on the earnings of two workers have suffered during the recession. Between 1981 and 1982, 395,000 additional married-couple families were pushed into poverty. The number of children in two-

parent unemployed households has increased by 250 percent in the last four years.

The Reagan administration's response to the growing number of unemployed parents and their children has been dismal. Since President Reagan entered office, unemployment compensation has failed to keep pace with inflation, money for job training has fallen, federal financial assistance for poor families and their children has been cut, and government funding for compensatory education and for student loans has dropped. (See the table at the end of this chapter for information on budget cuts.) While more and more unemployed families line up outside soup kitchens and food pantries and make their homes in emergency shelters, President Reagan continues to question the real depth of hunger and poverty in America.

Few Benefits There are fewer benefits available to the unemployed worker today than just five years ago because of changes in federal and state laws and in administrative practices. The proportion of unemployed workers receiving all types of unemployment benefits was lower in 1981-82 than in any other postwar recession, according to a study by the Brookings Institution.

- In fiscal year 1976 about 74 percent of the unemployed were covered by unemployment compensation; in 1982, only 42 percent. In fiscal year 1976, when 7.6 million people were unemployed, the nation spent almost \$31 billion on unemployment insurance programs. In fiscal year 1982, when 10 million people were unemployed, the nation spent less than \$24 billion on unemployment insurance programs.
- Fewer states offered extended benefits to the long-term unemployed in 1981-82 than in 1974-76. Moreover, the maximum period of insurance was much shorter during the 1981-82 recession.
- Between July 1981 and March 1983, more than 5 million workers exhausted their regular unemployment insurance benefits and another one million long-term jobless workers lost their extended benefits, according to testimony provided by the AFL-CIO to the House Education and Labor Subcommittee on Employment Opportunities.

Limited AFDC Assistance In many states, unemployed intact families that fall into poverty cannot get help through Aid to Families with Dependent Children (AFDC), the major source of federal financial assistance for poor children and their parents. The basic AFDC program goes primarily to single parents and their children. Fewer than half the states have chosen the federal option of providing AFDC to two-parent families where the principal wage-earner is unemployed (Unemployed Parent coverage, or AFDC-UP). At least five states eliminated such coverage between 1975 and 1982. Two others eliminated their AFDC-UP programs and established more limited coverage for families with unemployed parents. In some instances, two-parent families that cannot find jobs and that have run out of unemployment benefits are splitting up to qualify for welfare in states without AFDC-UP programs.

- Utah eliminated its AFDC-UP program for 1,420 families in June 1981. Within one year, 22 percent of these families were back on welfare, primarily due to divorce or desertion. The rate of divorce and separation represented by these families is twice the rate of divorce and desertion experienced prior to eliminating the AFDC-UP program.
- Iowa reinstated its AFDC-UP program in 1982 after evidence showed that 900 poor Iowa families had broken up in order to regain AFDC after the state eliminated its AFDC-UP program.

Federal and state budget cuts have limited the level of AFDC benefits and the availability of AFDC for unemployed families in other ways. For more information see the chapter on AFDC in this book.

Less Training In 1982, at the Reagan administration's request, Congress repealed the Comprehensive Employment and Training Act (CETA) and enacted the Job Training Partnership Act (JTPA). Like CETA, the new program is designed to provide employment and training programs primarily for low-income teenagers and adults. Unlike CETA, it prohibits using funds to create public service

employment jobs--all job training must be controlled by the private sector. JTPA is run by a "partnership" between the public and private sectors that permits the private sector majority on local JTPA boards (called Private Industry Councils) rather than elected officials to control decisions about job training.

JTPA combined several separate training programs, including Summer Youth, Job Corps, and employment training programs for Native Americans, migrants, veterans, and others. Having created this new approach to job training, Congress and the administration proceeded to fund JTPA far below CETA. For fiscal year 1983, JTPA was funded at a little more than half of CETA's fiscal year 1981 funding level.

What all this has meant is less money available for job training at a time of high unemployment and fewer assurances that the money will reach those it should. For example, in 1978 two-thirds of new CETA participants were teenagers, according to a survey by the U.S. Department of Labor. Today, many states are unclear about how many teenagers they will serve under JTPA. There are already indications that the program is reducing rather than increasing job training at the local level:

- District of Columbia officials say that since JTPA passed, the District's job training money has been cut 21 percent, from \$18 million to \$14 million. About 1,000 fewer individuals will be served than under CETA.
- Houston's JTPA program "doesn't really provide training at all. It's just a two-week program of job orientation," according to Michelle Lord with the Gulf Coast Legal Foundation. Even so, more than 300 unemployed people a week have been lining up for the program. Because slots are limited, only 100 of these people are being interviewed; 200 are being turned away and told to come back the following week.
- In St. Louis about 4,500 poor teenagers turned out on May 11, 1983--the opening day to apply for the city's summer youth employment program. However, the number of available jobs was less in 1983 than in 1982. City officials who were unprepared for the big turnout had only 3,000 eight-week job openings available. They asked police to turn away the crowd and closed their doors 15 minutes after they opened.

Further, JTPA's limits on stipends and other supportive services--well below CETA levels--may reduce the number of low-income adolescents able to participate in the program. The stipend available for teenagers under JTPA has generally been \$30 a week for as much as 30 hours of work training. JTPA has also reduced the availability of child care and other supportive services that enable many low-income parents to participate in job training.

Although JTPA is supposed to serve both AFDC and state welfare recipients, some states and localities have developed policies that may be shortchanging those on AFDC. In Los Angeles County's JTPA program, for example, "employable" individuals from the state general relief program have been placed in all of the available JTPA adult training slots (4,000 full-time or 9,000 half-time positions). This has left almost no opportunity for women on AFDC to receive job training.

The transition required for communities to switch from CETA to JTPA is enormous, because all public sector job training opportunities must be replaced with private sector positions. The private sector, however, has no real obligation to help out, but must be persuaded to do so by the local Private Industry Councils. In addition, JTPA's performance standards for evaluating local programs are based on getting adult participants in and out of job training as quickly as possible. This encourages local programs to work only with those adults who are most trainable and to ignore people with no job skills who may be harder to serve but who are in greatest need of assistance.

Problems for Those on Welfare In addition to JTPA, some states have developed other employment and training programs for those on welfare. These projects vary greatly from state to state, and in some cases are available only in a few counties. In certain instances the new programs may be hurting families more than benefitting them.

Under the Omnibus Budget Reconciliation Act of 1981, Congress allowed states to develop three types of job training programs for those on AFDC: Work Incentive Demonstration Programs (WIN), Community Work Experience Programs (CWEP), and Work Supplementation Programs. Seven states--Delaware, Michigan, Oklahoma, Pennsylvania, Utah, Virginia, and West Virginia-- have adopted statewide WIN/CWEP programs that require most employable AFDC recipients to work off their benefits for no pay. One problem is that state definitions of "employable" often include mothers with young children, yet support services like child care and transportation for parents who participate in the job training programs are inadequate.

Michigan's program, for example, called the "Employment and Training Program," requires all employable AFDC and general assistance recipients to register unless good cause is shown. The state has received a waiver from the federal government that allows Michigan to require an AFDC mother with a child as young as six months old to participate in the program. Oklahoma's program requires parents with children over age three to participate. Utah's program requires employable AFDC recipients to work three days each week and look for a job the other two days. Utah reports that in the last year, 32 percent of those in the program secured jobs; another 27 percent lost AFDC because of failure to meet the new requirements.

Twenty other states have created more limited WIN/CWEP programs that consist of pilot projects in a few counties. However, these contain some of the same problems as the statewide programs. In a period of high unemployment, AFDC recipients are required to work for no pay, often at meaningless dead-end jobs or at jobs that should rightly be filled by full-time city or state employees. A study by Brandeis University of a Massachusetts jobs training program that ended in 1979 and that was very similar to current workfare programs concluded, "Work experience produced no benefits in terms of greater work or lower

welfare payments...The program fell far short of expectations."

Inadequate Education The teenage unemployment problem is intensified by the large number of minority and poor students dropping out of school. According to the U.S. Office of Education, more than 1 million students drop out of high school each year, and there are more than two million 18- to 19-year-olds who are out of school and lack high school diplomas. The problem is far worse among minority students:

- In New York, 45 percent of students leave school before completing their education. Fifteen percent of white youths fail to finish high school; 24 percent of black youths; and 38 percent of Hispanic youths. According to the New York City Board of Education, some of these dropouts have grade-level or near grade-level skills but few high school credits, because of truancy. Others have only third or fourth grade reading skills. Most have acute home-related problems.
- In 1980, 78 percent of white 19-year-olds in the United States were high school graduates, compared to only 61 percent of black and 56 percent of Hispanic 19-year-olds, according to High School, a 1983 report by the Carnegie Foundation for the Advancement of Teaching.
- The Bureau of Labor Statistics reported that in 1983 there was an average of 2.0 million people 16 to 21 years old who were out of school and officially unemployed and an additional 340,000 who wanted work but had stopped looking because they believed there were no jobs available for them. A total of 2.4 million youths were without school or work.

HOW PRESIDENT REAGAN HAS WEAKENED PROGRAMS FOR THE UNEMPLOYED SINCE 1981

Job Training Partnership Act At the Reagan administration's request, Congress repealed the Comprehensive Employment and Training Act (CETA) and implemented the Job Training Partnership Act (JTPA) in 1982. The funding level for CETA at the end of 1982 was approximately \$6.7 billion; the funding level for JTPA for

fiscal year 1983 was \$3.99 billion. Unlike CETA, money for JTPA is appropriated one year in advance, starting with the first full program year which begins July 1, 1984. This should allow local JTPA boards and government officials to plan for the future. JTPA's funding level is \$2.8 billion for the time period from October 1, 1983, to June 30, 1984. For July 1, 1984, to June 30, 1985, the funding level is \$3.6 billion. In fiscal year 1984 (July 1984 to June 1985) the program will be \$390,000 below the fiscal year 1983 (October 1982 to September 1983) level for JTPA and \$3.5 billion below the 1982 funding level for CETA.

Unemployment Compensation Unemployed workers can receive 13 weeks of financial assistance through federal unemployment compensation benefits. During times of recession and high unemployment, the federal government also makes available an additional 13 weeks of benefits, known as "extended" unemployment compensation. Since President Reagan took office, the availability of these benefits has been severely curtailed.

President Reagan changed the existing federal law to eliminate federal extended benefits in many states and to eliminate or reduce extended benefits for many people in all states. For example, beginning in 1981, an employee must have worked the equivalent of 20 consecutive weeks during the past year in order to be eligible for extended benefits. Given the long periods of unemployment for so many workers, like those in the steel and automobile industries, this policy has closed off extended benefits to many who need them. Changes in the federal government's extended benefits policies have cut over \$1 billion from the unemployment compensation program in fiscal years 1983 and 1984. As a result, while this is the deepest recession since the depression, America has a lower percentage of workers receiving unemployment compensation now than at any time in the past.

In addition, as part of the general "reform" of entitlement programs, the Reagan administration proposed to round weekly

unemployment benefits down to the next lowest whole dollar. Congress agreed to this and other modifications in the Unemployment Compensation Program, with the result that those unemployed workers still eligible for benefits receive lower benefits each month.

Emergency Jobs Bill In 1983, over the President's objections, Congress approved a \$4.9 billion Emergency Jobs Bill to aid victims of the economic recession. As part of this bill, Congress added an additional \$225 million to the Title XX Social Services Block Grant. Congress specified that this money was to be used to expand the availability of day care and other social services for unemployed people. States chose to fund a variety of programs, from day care to specific job training programs. Connecticut, for example, allocated \$1 million to 38 cities and towns to fund social services for the unemployed; services to make people more employable; child care, information, and referral services; transportation; and job counseling. The District of Columbia used its funds for a variety of employment and training programs and for a day care voucher system for parents in these programs. Despite the good that this infusion of funds did for the unemployed, the money was available on a one-time only basis.

Education The Reagan administration has cut some of the very programs that might help poor and minority students stay in school and even go on to college. Upon taking office in 1981, one of the administration's first acts was to rescind \$440 million in funding for Title I, the major federal compensatory education program for students from disadvantaged areas who are behind in school. More than half of all children the program used to serve are members of minority groups. The Emergency School Aid Act (ESAA), designed to help school systems during school desegregation, was abolished by President Reagan in 1981 and combined in a block grant with several other small programs. Funding for

these programs was cut \$269 million or 35.8 percent, and in some districts, black students lost 61.4 percent of their supplemental funding; Hispanic students, 59.7 percent; and other races, 69.5 percent. The average loss for all minority students was 61.5 percent. Cuts in college student aid, like Pell grants for poor and minority students, have also lowered the chances that poor and minority students have for furthering their education at a time when black college attendance was already declining.

In 1977, 51 percent of all white and 50 percent of all black high school graduates went to college. Thereafter, a slow decline began in college attendance rates for black high school graduates. In 1981 the percent of young black high school graduates enrolled in college had fallen to 43 percent; in October of 1982 it fell to 36 percent. The white rate is now 52 percent.

WHAT PRESIDENT REAGAN PROPOSES FOR FISCAL YEAR 1985

The administration proposes to fund the Job Training Partnership Act at approximately the same level as in fiscal year 1984, without any provision to enable the program to keep pace with inflation. The budget request for the Job Training Partnership Act includes \$1.89 billion for block grants to states; \$638 million for Summer Youth Program; \$223 million for employment and training assistance to dislocated workers; \$600 million for the Jobs Corps; and \$177 million for other nationally administered programs.

In addition, the administration has proposed cuts in other job training programs as well as a subminimum wage for youth. Specifically, the administration proposes:

- establishing a subminimum wage of \$2.50 per hour (75 percent of the current minimum wage) for youth under age 22 participating in the Summer Youth Employment and Training Program. This proposal was rejected by Congress in fiscal year 1984. Youth would not get the decent wages they deserve to help support themselves financially. In addition, the enact-

ment of a subminimum wage would erode the foundation of a minimum wage for all labor without any proof that there will be a net increase in the number of available jobs.

- eliminating the Work Incentive (WIN) program (administration estimated cut -- \$271 million). WIN provides job counseling, training, placement, and support services like child care for AFDC recipients struggling to find permanent employment. Despite the administration's emphasis on putting AFDC recipients to work, it wants to eliminate one of the few job training programs now open to these individuals. Congress has rejected this proposal for two years in a row.

EMPLOYMENT AND UNEMPLOYMENT: FUNDING AND BUDGET REQUESTS FY 1981-FY 1985
(in millions of dollars)

<u>program</u>	<u>FY 1981 actual</u>	<u>FY 1982 proposed</u>	<u>FY 1982 actual</u>	<u>FY 1983 proposed</u>	<u>FY 1983 actual</u>	<u>FY 1984 proposed</u>	<u>FY 1984 actual</u>	<u>FY 1985 proposed</u>
CETA	7,143.0	3,567.0	3,023.2	0	3,789.3	-----	-----	-----
Summer Youth	900.0		720.6					
Public Service Employment (IID)	2,195.0	0	100.0	-----	-----	-----	-----	-----
JTPA	-----	-----	-----	2,387.0	3,990.4 ^a	3,643.3	3,605.2	3,610.6
Summer Youth	-----	-----	-----	724.5	824.2 ^a	724.5	724.5	637.5
Unemployment Compensation	18,739.1	22,300.0	23,320.2	23,400.0	31,619.7	31,800.0	28,100.0	27,778.6
WIN	365.0		268.6	11.4	267.0	0	271.0	0

^a includes supplemental appropriation.

Chapter 13

Legal Services

President Reagan and Attorney General - Designate Edwin Meese continue their vendetta against legal services. The administration is trying in a variety of ways to eliminate or cripple the program. For fiscal year 1985 it has proposed, for the fourth year in a row, to eliminate legal services entirely.

The federally funded legal services program provides free help to poor people for noncriminal legal problems. It originated in the 1960s as part of the Office of Economic Opportunity. Because of concerns about past attempts by various officials, including former Governor Reagan, to exert political control over the program and to curb aggressive legal representation of poor people, Congress created the Legal Services Corporation (LSC) in 1974. LSC is wholly funded by the federal government, but it is not a typical agency. It is a semi-independent, nonprofit corporation that distributes federal funds to local nonprofit legal aid corporations (field programs) across the United States and to a few national and state programs (support centers) specializing in particular areas of law. Most of these programs are funded almost entirely by federal grants.

Most legal services cases involve family relations and economic transactions. Juvenile and family issues constitute over 30 percent of the caseload. The remainder involve matters such as landlord-tenant disputes, consumer problems, and attempts by poor people to get necessary government benefits under Medicaid, Food Stamps, Aid to Families with Dependent Children (AFDC), Social Security, and similar assistance programs.

While most representation is in individual disputes, legal services lawyers have also tried to remedy some of the more systematic abuses of poor people. They have represented organizations of the poor like tenant unions and neighborhood and community groups. They have lobbied on behalf of clients in Congress and state legislatures, just as lawyers for corporations, government agencies, and other interest groups lobby for

their clients. And they have brought numerous successful class action lawsuits against government agencies and private parties. Class actions are a common vehicle for asserting in court all of the claims of hundreds or thousands of people who have been identically injured by the defendant's actions.

It is precisely such effective advocacy for the poor that has incurred President Reagan's wrath, because the administration is trying to weaken systems of law that protect consumers, tenants, members of minority groups, and beneficiaries of government programs, including children.

Legislation that provides funds for child welfare services or guarantees handicapped children the right to education or mandates preventive health care for poor children does not always get carried out. Too often, such children and their families are denied public benefits or rights provided by law because they are unaware of their rights or lack access to lawyers. Public agencies are seldom self-policing. Legal services lawyers are often children's advocates of last resort.

PRESIDENT REAGAN HAS PROPOSED ELIMINATING LEGAL SERVICES FOUR YEARS IN A ROW

In fiscal year 1981 when President Reagan took office the legal services program was receiving \$321 million in federal funds, which allowed programs to serve only 15 percent to 20 percent of the estimated need. For each ensuing year, including fiscal year 1985, the Reagan administration has proposed eliminating all federal legal services funding. As a smokescreen, the administration has said that states can provide legal services from Social Services Block Grant funds, but it has proposed no additional money for the addition of legal services to the block grant. States are unlikely to take money from other already reduced programs to fund legal aid, particularly since legal services programs frequently sue states. States can already use federal social services funds--or state funds--to supplement the

budgets of legal services programs, but only a handful of states make even small grants. Indeed, LSC was created as an independent entity in order to avoid reliance on governments with which LSC attorneys were sometimes in an adversarial relationship.

Each year a bipartisan coalition in Congress has overwhelmingly rejected the Reagan proposal to eliminate legal services. In fiscal years 1982 and 1983 legal services received \$241 million a year, a 25 percent cut. Given the effects of inflation, and a new requirement beginning in 1982 that programs devote 10 percent of their funds to involving private attorneys in the delivery of legal aid, the \$241 million in reality approached a 50 percent cut. The Washington Council of Lawyers reported in November 1983 that the number of legal services attorneys had decreased 30 percent.

For fiscal year 1984 Congress restored a portion of the cuts, raising the appropriation to \$275 million. This partial restoration came, however, after there had been a 14.5 percent increase in poor persons eligible for legal services because of reductions in public assistance programs and growing rates of poverty.

In his fiscal year 1985 budget proposals, the President, undeterred by a total lack of support on the issue, again proposes to eliminate the legal services program entirely.

PRESIDENT REAGAN'S BOARD OF DIRECTORS IS NOT CONFIRMED BY CONGRESS

The Board of Directors of LSC is, by statute, supposed to be an independent bipartisan entity, free from political control and dedicated to comprehensive and effective legal representation of the poor. The 11-member board is supposed to be appointed by the President and confirmed by the Senate, with no more than six members from any political party. This process has been wholly subverted in the last three years.

President Carter's appointees continued to serve through most of 1981 while President Reagan tried to eliminate the program. Finally, when it was clear that Congress would save LSC,

President Reagan moved to seize control through recess appointments.

A recess appointment is a little-used device whereby a President can assure the ongoing operation of a government entity, even though Congress is in recess, by making an appointment. The recess appointee serves until Congress confirms or rejects a permanent appointment (who may or may not be the same person).

There is some doubt that a recess appointment to the LSC board is legal, since LSC is not a federal agency; it is a semipublic corporation. The old LSC board members have sued to declare President Reagan's recess appointments illegal, but have lost the first round. The case is on appeal.

President Reagan, waiting till Congress was out of session, made his first recess appointments in December 1981. In 1982 and 1983 he continued to fill the board with appointments made during congressional recesses. Most of the recess nominees were chosen because of their desire to eviscerate LSC.

The history of the President's nominations for permanent positions on the LSC Board is no more impressive. Most of the 1982 recess appointees were also nominated that year by the President for full terms as LSC directors, subject to Senate confirmation. In December 1982 a majority of the Senate wrote President Reagan asking him to agree to allow only six of the nominees to be confirmed, thereby excluding the three other nominees most hostile to legal services. President Reagan responded by withdrawing all of the nominations. He was unwilling to let the legal services program be controlled by the moderate conservatives he himself had appointed.

In 1983 the administration searched for new nominees sympathetic to its views. In October 1983 when it was again clear that Congress would continue to fund LSC and would also restrict the ability of recess appointees to defund local programs, the administration announced a new group of 11 persons whom it intended to nominate for the LSC board. After some withdrawals,

eight names were sent to the Senate--six Republicans, one Democrat, and one Independent. A coalition of national organizations charged four of the eight with various activities inconsistent with the LSC law and a commitment to legal services for the poor. For example, one had been actively involved in anti-civil rights activities. Congress adjourned without confirming any of the nominees.

Seldom has a government program had its appointment process so manipulated. Over three years President Reagan has named 17 recess appointees to the LSC board, and has named, nominated, or recess-appointed a total of 29 persons to direct the organization. Of that total, President Reagan has withdrawn nine, four were withdrawn at their request, and one resigned. To date, not one nominee has been confirmed by the U.S. Senate.

One of the last acts of President Reagan's ill-fated recess appointment board in 1982 was to hire an LSC president, Donald Bogard, who had no background in legal services except as an adversary. Mr. Bogard and the recess appointees have waged a war of attrition against the legal services field programs and support centers.

Congress has acted to protect the programs. It has taken the unusual step of telling LSC not to deny any program refunding unless and until there is a confirmed LSC board. Appalled by proposed LSC regulations that would have barred all class action representation by legal services lawyers, it withdrew from the LSC Board the authority to write sweeping class action rules. Congress also eased for fiscal year 1984 the restrictions on legislative advocacy on behalf of eligible clients.

LSC, however, has continued to make life more difficult for programs and attorneys in a multitude of ways. First, Mr. Bogard forced out numerous long-term high-level LSC employees sympathetic to legal services and brought in unknowledgeable and inexperienced replacements. He also ordered a surprise raid of LSC regional administrative offices around the country, confiscating papers and files. One of Mr. Bogard's chief assistants forbade

LSC employees to attend a meeting of the National Legal Aid and Defender Association (a bar association for legal services attorneys and public defenders) or meetings of similar organizations without LSC approval.

LSC also began in 1983 to impose on legal services programs the red tape and intrusive regulations that the administration purports to abhor, in an attempt to impair aggressive advocacy by legal services programs.

- In May LSC sent field programs a series of questionnaires demanding information on a multitude of minute details regarding local program operation.
- In June LSC issued a detailed directive on the composition of local program boards. Despite the detail on other points, the directive diluted one requirement, that concerning participation of minorities and women on the boards.
- In August the LSC board approved a proposed rule substantially limiting who would be eligible for legal services. After tremendous criticism from Congress, client organizations, and the general public, new assets provisions (such as a \$15,000 limitation on equity in a family home) that would have denied legal services to millions of poor people were deleted from the final regulation. Other objectionable provisions were retained, however, when the final rule was issued in November. The retained provisions will restrict eligibility and increase the administrative burden on local programs.
- LSC tried in 1983 to lower the grants of a number of local programs that had not spent all of their 1982 grants (many programs had tried to build modest reserves to smooth the disruption of budget cuts and the threats of defunding). In September a federal court found that LSC had acted illegally in lowering the grants without a hearing.
- In October the LSC Board scheduled a meeting on crucial regulations with virtually no prior public notice. In an order affirmed by the U.S. Court of Appeals, a federal judge found that LSC had violated both the Sunshine Act and the LSC Act, and enjoined the meeting.
- In October LSC also told six regional training centers for local attorneys that their grants would be terminated on December 31. Despite its \$34 million appropriations increase, LSC said it lacked adequate funding for the centers, which had been budgeted at approximately \$625,000. The programs have filed suit, and have obtained a temporary restraining order.

- In November LSC adopted a rule increasing from 10 percent to 12.5 percent the amount of their grants that field programs must give to private attorneys for representing the poor. The rule, adopted without published notice or opportunity for comment, also substantially increases the administrative burden on both recipient programs and private lawyer projects. The LSC Board ignored two dozen presentations from private bar leaders, legal services programs, and others opposing the instruction or urging further study. The LSC Board also delegated to LSC staff the authority to mandate more than 12.5 percent without additional board action. Although LSC had stated its intention to conduct a study of private bar involvement, there had been no research conducted or other grounds presented to justify the change.
- In December LSC, without any prior public notice or comment, issued new rules for 17 national and 48 state support center grantees (specialized units with substantial expertise in particular areas, like the National Consumer Law Center, Center on Social Welfare Policy and Law, Center for Law and Education, and National Health Law Program). The new rule prohibited the use of LSC funds to keep open the Washington, D.C., branch offices of the national centers and instructed all centers to spend 90 percent of their funds on training and technical assistance, with no more than 10 percent for a combination of networking and direct representation of poor people in judicial, administrative, or legislative forums. The effect would have been to deprive clients of the services of some of the most knowledgeable and experienced attorneys in legal services. LSC had initiated a study of support centers but the rule was issued before the study was completed. The new restrictions on support centers were enjoined by federal judges on December 28, 1983, and January 31, 1984. In issuing a preliminary injunction Judge Barrington Parker found that LSC officials had violated the LSC Act: by not allowing prior notice and comment on the rule; by ignoring Congress's direction that all grants be renewed and its intent that renewals occur without changes in contract terms if there was no confirmed LSC board; and by ignoring all of the evidence and studies on support center roles, and adopting a drastic change of policy without justification. The judge called the rule "irrational."

The New York Times asked in 1983, regarding the recess appointed boards, "How much longer will Congress put up with this lawlessness? Having failed to persuade Congress to abolish this popular, effective and humane program, Mr. Reagan has a duty to administer it, not undermine it." That duty remains unfulfilled.

Chapter 14

Civil Rights

The Reagan administration says it is committed to the needs of the poor, minorities, women, and the handicapped, but for three years it has tried to turn back the hard won progress of these groups and to disengage itself from civil rights enforcement on their behalf. Federal officials charged with enforcing the nation's equal rights laws have flagrantly neglected their responsibilities and attacked those laws. Enforcers who have tried to remain active have come under increasing fire from the administration, the most blatant action being President Reagan's wholesale firing of the members of the independent U.S. Civil Rights Commission and their replacement with people who oppose many effective civil rights policies.

The administration's positions and actions on civil rights follow four distinct themes:

THE FEWER CIVIL RIGHTS CONSTRAINTS ON THE USE OF FEDERAL FUNDS THE BETTER

Since the 1960s and early 1970s, several key civil rights laws have required those who receive federal monies to refrain from discrimination. The concept is straightforward--the nation's largesse should not be used to support and maintain discrimination. Federal monies should be used to support only those activities that serve all people irrespective of race, sex, national origin, or handicapping conditions. Once an institution receives federal funding for any aspect of its program, it must be free of discrimination in all its activities. This approach not only gives the federal government broad authority to enforce civil rights but also removes any appearance that the federal government supports or condones discrimination, even through indirect financial assistance.

In the past the federal government has broadly interpreted the protections in the three major civil rights statutes governing the use of federal funds: Title VI of the 1964 Civil Rights Act, which prohibits discrimination on the basis of race or national origin; Title IX of the Education Amendments of 1972, which prohibits sex discrimination in educational institutions; and Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination against the handicapped in any activities receiving federal financial assistance. Now the Reagan administration is trying to narrow the reach of these civil rights laws.

In the Supreme Court case of Grove City College v. Bell, the Justice Department is arguing that an institution that receives federal monies is prohibited from discriminating only in that particular part of its program that receives the funds. According to the department, since Grove City College received federal money in the form of student aid grants only, it should be denied these funds if it discriminates in its financial aid program, but not if an entire department or activity is barred to women. This position allows federal funds to be used to support institutions that discriminate against women by segregating them in class and by denying them entry to some athletic or academic programs.

Although the Grove City case involves interpretation only of Title IX's prohibition on sex discrimination in education, adoption of the Justice Department's position would also have adverse consequences for minorities and the handicapped because of the similar language used in all antidiscrimination laws. The U.S. Civil Rights Commission described the administration's position as "open(ing) the door to renewed federal financial support for discriminatory activities across the spectrum of American life." The House of Representatives has passed a resolution, with only eight nays, clarifying that Title IX is to be given a broad meaning, contrary to the administration's interpretation. The Supreme Court is expected to rule on the case this spring.

The administration has also sought to limit the type of federal assistance that triggers civil rights protections. When equal rights are involved, the administration has a limited definition of federal financial aid. One court ruled that the Guaranteed Student Loan Program, through which the federal government insures loans in the event of the borrower's default and finances loans through interest rate subsidies, is exempted from the civil rights prohibitions on the use of federal financial assistance because it involves contracts of insurance. The administration has declined to appeal the ruling, and the Department of Education is now expected to propose a change in regulations to exempt the Guaranteed Student Loan Program from the definition of federal assistance. However, other courts have ruled differently on this issue and a battle seems likely to ensue between civil rights advocates and the administration. In contrast, this administration has not hesitated to attach conditions on the Guaranteed Student Loan Program when this has suited its ends. Thus, universities are now required to deny federal student loans to all students who fail to register for the draft.

The administration has also battled to weaken civil rights regulations guaranteeing the handicapped equal access to federally supported activities. In 1983 the administration continued efforts to rescind the regulations that enforce two key laws protecting the handicapped: the Education for All Handicapped Children Act, often referred to by its Public Law number, 94-142, and section 504 of the 1973 Rehabilitation Act. In both cases, the administration retreated after meeting widespread opposition, but only after months of hard work by groups representing the handicapped. It took great political pressure from Congress and the public to block the administration's efforts to cut back on the educational rights of the handicapped under 94-142. Then in March 1983, after months of controversy, the administration withdrew its proposed rewrite of the so-called "504 coordination regulations." However, this retreat was not all it seemed. Scarcely a month later the administration was back on the of-

fensive. The Justice Department sent a prototype rule to 91 federal agencies charged with issuing regulations to protect the handicapped in the particular programs they conduct. This prototype brought back to life several harmful concepts first proposed in the rewrite of the coordination regulations. For instance, it exempted discriminatory action when accommodation of the handicapped would require vaguely defined "expensive costs" or "administrative burdens." In addition, although the administration claims the current 504 coordination regulations--and not the prototype rule--should govern, the Departments of Transportation and Housing and Urban Development have come out with proposed 504 rules that are inconsistent with the protections required by the coordination regulations.

IF YOU CANNOT GET RID OF CIVIL RIGHTS LAWS,
GET RID OF THE LAWS' ENFORCERS

One of the most blatant attacks by the Reagan administration on the effective enforcement of civil rights has been its attack on the independent U.S. Commission on Civil Rights. The attack began in the spring of 1983, when the administration announced its intention to fire three Commission members whose views it did not like. The three were all Democrats: Mary Frances Berry, Blandina Cardenas Ramirez, and Murray Saltzman. President Reagan proposed to replace them with three white males whose views on civil rights were similar to his own. Such firings were contrary to the very notion of the Commission as an independent watchdog on civil rights enforcement, and were of dubious legality.

The fight against such "Commission-packing" became part of Congress's effort to extend the Commission's life. By November, a compromise was reached between the President, the civil rights community, and supporters of the Commission in Congress. It divided the power to appoint members of the Commission between the Congress and the President and prohibited the firing of Commission members for political reasons. An additional part of this compromise was the administration's commitment not to go through

with its announced intention to fire two moderate Republican Commission members: Mary Louise Smith and Jill Ruckelshaus.

Ironically, Ms. Smith was a Reagan appointment. She proved too independent for the administration's liking. President Reagan agreed to reappoint Mary Louise Smith. House Minority Leader Robert F. Michel (R) would reappoint Jill Ruckelshaus; and Senate Majority Leader Howard Baker (R) would appoint another Republican with a good civil rights record.

This agreement was reached on November 10, 1983. The President then signed the law reauthorizing the Commission--a law which omitted the rigid controls on his power over the Commission that many in the civil rights community and in Congress had advocated before the compromise made such controls seem unnecessary. As planned, Congress reappointed Ms. Berry and Ms. Cardenas. The administration then reneged on the agreement by failing to reappoint Smith and Ruckelshaus. The result is a Commission that will not be sufficiently independent in its overview of the administration's civil rights work and of the country's civil rights progress.

The results are already apparent. The new Commission and the new staff director Linda Chavez (also appointed by the President) acted quickly to reverse the Commission's course. In a memorandum to the Commission, Chavez not only proposed discontinuing several projects aimed at investigating the problems faced by blacks, but also advocated a series of studies on how efforts to combat discrimination against blacks and Hispanics may have adversely affected whites. Chavez also proposed cancelling the release of a study prepared under the old Commission after months of research. The study showed that blacks in Alabama still earn less, are less educated, and have poorer housing than whites. Soon thereafter, the Commission acted to accept her proposals and went on record as opposing affirmative action.

Federal budget cuts have also damaged the government's enforcement of civil rights laws. As documented by the old U.S. Commission on Civil Rights, from fiscal year 1980 to 1983 four of

the six major civil rights enforcement agencies in the federal government lost over \$42 million--more than 16 percent of their actual spending power adjusted for inflation. In fiscal year 1983, five of these six agencies lost authorized positions; all had fewer authorized positions than in former years.

In addition, presidential appointments of women and minorities to positions of power within the government have fallen. Even when minorities, women, and the handicapped are not appointed to civil rights positions, their presence in other governmental positions of power often improves civil rights policy and enforcement. Many presidents have strived to open positions of power to women and minorities, but not President Reagan. During his first 28 months in office, President Reagan appointed minorities to 8.2 percent and women to 8.0 percent of the 980 full-time positions filled. President Carter filled over 17 percent of 1,182 such positions with minorities and over 12 percent with women. The greatest difference in appointments involved blacks: 4.1 percent of President Reagan's full-time appointees have been black, compared to 12.2 percent of President Carter's appointments. As for positions within the administration's own agencies, President Reagan has appointed minorities to 6.6 percent and women to 8.4 percent of full-time cabinet department positions, while President Carter appointed 16.7 percent and 15.9 percent, respectively, for comparable positions.

WHAT YOU CANNOT CHANGE IN CONGRESS,
TRY TO CHANGE THROUGH THE COURTS

When the administration has not been able to dilute civil rights protections through legislative changes, it has gone out of its way to interject itself in court cases in an effort to eviscerate court enforcement of civil rights guarantees.

A primary example of this is affirmative action. Affirmative hiring goals are a major way to ensure equal opportunity for minorities and women in the job market. A study by the U.S.

Department of Labor concluded that affirmative action has been highly effective in promoting both the employment and career advancement of blacks, women, and Hispanics. The study looked specifically at the performance of contractors who do business with the federal government and must therefore meet special affirmative action requirements. These requirements have been under attack from within the Reagan administration, but public pressure has thus far prevented changes that would gut existing regulations.

While contractors with the federal government are required to adopt affirmative action plans, many other private companies and local governments have adopted such plans voluntarily or as the result of court findings that they have engaged in discrimination in the past and must remedy it. The administration has tried to undercut these plans--usually through gratuitous meddling in court cases. In late 1983 it sought to convince the Supreme Court in a friend of the court brief that an affirmative action plan voluntarily adopted by the City of Detroit was unconstitutional. In Bratton v. Detroit, the city adopted the goal that for every white promoted to police lieutenant, one black must also be promoted. The goal was based on past discrimination in the police department: at the time the plan was adopted, only 4.8 percent of police lieutenants were black, although blacks constituted 67 percent of Detroit's population. The plan had increased the proportion of black lieutenants to 30 percent. The administration wanted to bar any use of such affirmative action goals by local government. The Supreme Court unanimously refused to hear the Detroit case and let the affirmative action program stand.

Contrary to the administration's portrayal of affirmative action plans, such plans are not aimed at excluding whites and do not harm or stigmatize them. As the U.S. Court of Appeals for the Sixth Circuit stated in approving the Detroit plan, "The self-esteem of whites as a group is not generally endangered by attempting to remedy past acts militating in their favor. . . . The

purpose of this program is to aid blacks; it is not aimed at excluding whites. The fact that whites have equal access to the lieutenant ranks. . . supports this conclusion."

The administration took the highly unorthodox action in another case earlier in 1983 of trying to intervene at the appellate level after the court had decided the issues. The City of New Orleans was defending a voluntary affirmative action plan. After a United States Court of Appeals panel ruled in the City's favor, the Justice Department asked the entire court to rehear the case, though it had taken no part in any of the prior proceedings in the Appeals court or in the court below.

The administration took a similar anti-affirmative action position in a case involving the Memphis Fire Department. The U.S. Civil Rights Commission described the Justice Department's amicus brief in the Supreme Court in that case as pursuing "a course seeking to sound the death knell for effective judicial enforcement of federal equal employment opportunity laws." Both of these cases are under consideration by the courts.

The administration is also refusing to comply with legal responsibilities that are part of court-approved orders and to which the federal government has previously agreed. The Department of Education's Office for Civil Rights has been under court orders in the Adams/WEAL case to improve its enforcement of civil rights in the area of education since the 1970s. When the plaintiff women and minorities went back to court in 1981 complaining of the Office's failure to meet minimum standards for processing and investigating complaints and for conducting reviews, the administration argued that court orders were no longer appropriate or necessary--even though the agency had failed to comply with the terms of the previously negotiated orders. The trial court disagreed, and the administration has appealed, taking the position that the government should not be held to its court-approved agreements.

The administration also tried to reverse a long-standing federal policy that tax exemptions should not be granted to private schools that practice racial discrimination. The Supreme Court agreed in 1982 to hear two cases in which schools challenged the denial of tax-exempt status. Both schools discriminated against blacks. The administration sought to convince the Court to dismiss the cases, maintaining that the federal government would no longer deny tax-exempt status to such discriminatory institutions. However, the Court took the cases and had to appoint a special counsel to argue that the tax exemptions were correctly denied because the Reagan administration refused to argue for that position. In 1983 the Supreme Court, with only one dissent, ruled that the federal policy of denying tax exemptions to such schools was appropriate, as such discrimination was contrary to established public policy.

The only school desegregation case filed by the Reagan administration does nothing to guarantee minority students access to equal educational opportunities in nonsegregated settings. The focus of the suit was the segregated elementary schools in Bakersfield, California. The suit was settled in a consent decree in which both parties agreed to a remedy proposed by the Reagan administration. The remedy is the use of magnet schools, unaccompanied by any efforts to reassign students. It is not likely to correct segregation in Bakersfield; in the past, the magnet school concept has been used only in conjunction with busing to desegregate effectively.

The administration's civil rights team in the Justice Department is also preparing to join a challenge to a federal district court's decision awarding millions of dollars in back pay and raises to women found to have been paid less than men holding jobs of comparable worth. The district court found that the state of Washington was paying salaries 20 percent less than average to those in predominantly female-held jobs. The administration has not yet made a final decision about whether it will support Washington State in its appeal of this key decision for

women's rights. Election year concerns may deter President Reagan's civil rights team from fulfilling this agenda.

WHENEVER POSSIBLE, AVOID MAKING FINDINGS OF DISCRIMINATION

Under numerous laws, the federal government is given the responsibility and authority to investigate complaints and seek corrective action where discrimination has occurred. The current administration has sought ways to avoid penalizing those who have discriminated. Its dismal record of nonenforcement is seen in all areas of government, including education, employment, federal contracts, housing, and voting.

Education The Department of Education's Office of Civil Rights has primary responsibility for enforcing the federal laws that prohibit discrimination against minorities, women, and the handicapped in education. However, the office has engaged in several practices that prevent effective enforcement of the prohibitions, according to a report by the Leadership Conference on Civil Rights, a coalition of organizations devoted to enforcing civil rights laws.

For example, after investigating a complaint or completing a compliance review, the office is supposed to issue a letter of findings that either indicates no discrimination has been found or advises the educational institution of illegal practices and the need to correct them. Under this administration, the office has found ways to avoid issuing negative findings, including: determining that a school district does not maintain adequate data to establish compliance but finding the district in compliance anyway based on a promise to keep data in the future; failing to investigate actual practices in a school and finding compliance based solely on a school's policy statement of nondiscrimination; failing to examine why a purportedly neutral policy produces racially or sexually segregated activities; and prolonging monitoring of a school without issuing any findings.

Under the Reagan administration, the Office is increasingly accepting promises of remedial action from noncomplying institutions that are so vague or general as to afford little assurance that the violations will be corrected. For example, the Office will change a negative finding upon an assurance that new procedures will be adopted without waiting to see what new procedures are in fact adopted.

Employment and Federal Contracts Two federal agencies have primary responsibility for enforcing federal laws that prohibit employment discrimination. The Department of Labor's Office of Federal Contract Compliance Procedures (OFCCP) enforces these requirements for businesses that have contracts with the federal government; the Equal Employment Opportunity Commission (EEOC) enforces the prohibition in federal law against discrimination by all employers.

Women Employed, an organization devoted to furthering the employment rights of women, looked at how well these two agencies have been doing their jobs and came up with disturbing evidence of the extent to which the Reagan administration is failing to secure remedies for those harmed by discriminatory practices. During the Carter administration, in fiscal year 1980 alone, OFCCP filed 53 administrative complaints against federal contractors who had discriminated. In the first three years of the Reagan administration, it filed only 38 such complaints. Similarly, while OFCCP enforcement proceedings led to the award of \$9,253,861 in back pay to 4,336 people in fiscal year 1980, under the Reagan administration in fiscal year 1983 only \$647,890 was awarded to 462 people. Finally, while OFCCP under President Carter debarred 13 contractors for discriminatory practices, OFCCP under President Reagan has debarred only one contractor in three years.

EEOC nonenforcement is similar. Although the backlog of cases has been reduced, the record on securing relief for the victims of discrimination is poor. Cases filed in court by the

EEOC dropped 70.1 percent between 1980 and 1982.

Because of the administration's lack of enforcement, many corporate officials perceive that equal opportunity is no longer a necessary priority. According to the Wall Street Journal, top corporate officers are worried that the administration's rhetoric and actions have been taken by middle managers as a signal that they no longer need to worry about affirmative action efforts and they are letting these obligations slide.

Housing The Department of Justice enforces federal prohibitions on housing discrimination. In the face of numerous contrary court opinions, the Reagan administration has stuck by overly narrow interpretations regarding the scope of the federal Fair Housing Act's prohibitions against discrimination. The Justice Department continues to hamper its attorneys by maintaining that a case of housing discrimination must involve affirmative proof by the complainant that the landlord or housing owner intended to discriminate. Most courts have held that a showing that a practice or policy has a discriminatory effect, regardless of intent, will make a sufficient case to shift the burden onto the landlord or owner to prove an absence of discrimination.

Enforcement efforts by the Justice Department have not been vigorous: It has filed a total of six cases under the Fair Housing Act in the last three years, compared to an average of 32 cases a year under prior Republican administrations. Only one of these cases has been important in advancing the law or in offering the opportunity for significant reform--the traditional goals of Justice Department litigation in this area.

Enforcing the Fair Housing Act has always been difficult because the only means available is through costly and time-consuming litigation. Civil rights advocates in Congress in 1983 proposed amendments to the Fair Housing Act that would create an administrative enforcement mechanism in the Department of Housing and Urban Development. Such a mechanism would allow the federal government to help more victims of discrimination by providing a more efficient, less costly procedure. The Reagan

administration has opposed these reforms.

Members of Congress have also proposed expanding the Fair Housing Act to explicitly prohibit discriminating against families with children. Such discrimination has been particularly harmful to women and minorities. Despite overwhelming evidence that the amendment is needed, the administration has opposed efforts to change the law to provide relief for the victims of such discrimination. The only explanation given by the General Counsel for the Department of Housing and Urban Development is that there is no evidence of a national problem. However, a national study published by the department itself documents that 25 percent of rental units nationwide ban children and another 50 percent limit occupancy by children on the basis of age, sex, or number.

Voting The Department of Justice is responsible for enforcing voting rights under the Voting Rights Act, which outlaws discriminatory voting rules and gives the Justice Department broad powers to prevent such abuses as literacy tests and gerrymandering. Under the Act, the department is required to review any changes in electoral laws in voting districts that have past histories of discrimination in order to ensure that the changes are not discriminatory. The administration initially opposed reauthorization of a strong Voting Rights Act last year. It reversed its position only when it became clear that Congress would reauthorize the law anyway.

The Justice Department's record of voting rights enforcement under the Reagan administration is poor. It has objected to only 165 electoral changes out of 25,000 that have been submitted--a decrease of 71 percent in the rate of objections since the Act was passed. In 1983 a federal court invalidated eight of North Carolina's state legislative districts, finding that the state had violated provisions of the Voting Rights Act. The court found the districting to be discriminatory despite previous approval given by the Justice Department--one more example of the department's lack of scrutiny.

Chapter 15

Regulations

When Congress passes a law, it frequently leaves the details of operating the program and enforcing the law to a federal agency. This includes issuing rules and regulations. Congress often does not have the time or the desire to enact elaborate definitions of every word, phrase, or sentence. As a result, other branches of government must fill in gaps and define imprecise phrases. Many of these rules are as important as the laws themselves in ensuring that benefits reach those they are supposed to and that federal money is spent correctly.

However, the Reagan administration's rules often subvert the law by accomplishing budget cuts that Congress did not intend and by denying children vital rights and benefits. This chapter examines the process by which the administration arrives at such rules and describes just a few of the many ways in which the administration has manipulated the rulemaking process to injure poor people and children and to weaken accountability and efficiency.

DEREGULATION FOR SOME AND INTRUSIVENESS FOR OTHERS

The administration often claims it wants to "deregulate" federal standards and make federal programs more "flexible" for the states to administer. Too often, this has meant favoring large corporations and conservative state and local governments at the expense of individuals and the public. For example, if a certain corporate practice has been regulated, the Reagan administration will "deregulate" to reduce environmental and consumer protection. If a program has been regulated to prevent state and local governments from taking arbitrary and harmful actions toward those receiving federal program benefits, the administration will now give them much more "flexibility" through "deregulation."

In particular, when the administration believes that cutting regulations will encourage or assist states to cut benefits to poor children and families, it will issue regulations that are so general and so imprecise that they have no real content and leave the states a free hand. Often these rules simply parrot the statutes and ignore the purpose of rulemaking--to interpret cryptic or ambiguous laws, fill in interstices, and give guidance to the public.

Many of the rules that the Department of Health and Human Services (HHS) has published--for the Adoption Assistance and Child Welfare Act of 1980, for recent Medicaid amendments, and for block grants that serve children and families--are not even as specific as the statutes they purport to interpret. In December 1982 a federal court had to prohibit HHS from implementing its Primary Care Block Grant rules governing community health centers because the rules failed to specify any regulatory standards. Similarly, legislation allows states in certain instances to limit the freedom to those on Medicaid to choose their own doctors, hospitals, and other health care providers. However, states must show that the limits will be cost-effective and will not substantially impair a person's access to services. The federal General Accounting Office (GAO) has criticized HHS's regulations under this legislation. HHS issued extremely sketchy rules, which GAO found left states with no idea of what information the federal government wanted. GAO further criticized HHS for taking this tack when the legislative history explicitly contemplated regulations that would give the states adequate guidance.

In 1983 the U.S. Supreme Court rejected two of the administration's most famous "deregulation" initiatives. In the case of Bob Jones University, the administration claimed that the Internal Revenue Service did not have the statutory or regulatory authority to deny federal tax-exempt status to private schools that practice racial segregation. Eight members of the Court disagreed with the administration's position. In another case,

the Reagan administration tried to repeal a rule requiring "passive" safety restraints like air bags in automobiles. The Court found the repeal arbitrary and capricious.

Even state governments are beginning to realize that such "deregulation" is often a euphemism for no standards. The integrity of federal programs requires some specificity about what is expected to ensure that children are protected. For instance, in 1983, HHS proposed new regulations for Medicaid's important preventive health and dental checkups program for children--the Early and Periodic Screening, Diagnosis, and Treatment Program (EPSDT). (Previously, HHS had illegally suspended some of the program's prior rules without any public notice or comment.) Several state and local government agencies objected to the loosening of certain requirements in the new proposed rules. One state health department wrote that "greater specificity is essential to prevent a state from taking advantage of an interpretation resulting in minimum compliance." Another state's human services secretary objected to the portion of the new rules that would "seriously dilute the Federal mandate to provide effective EPSDT services to the poor." A third state wrote that state "program administrators must sometimes use (federal) regulatory muscle to accomplish" the purposes of federal programs.

However, the administration's primary concern in the social welfare arena is not really with flexibility and deregulation but with cutting benefits. So, when elaborate regulation is more effective to achieve this goal than underregulation, the administration will overregulate. Where the administration feels that more intrusive rules will help take benefits away from people, it issues rules to lock states into taking cost-cutting measures, to reduce the discretion that progressive state or local governments might exercise to help people, or to take benefits away from people in programs that the federal government administers directly.

For example, states can charge some of those on Medicaid, including adults on AFDC, for part of the cost of their health care. This is known as "copayments." In 1982, Congress enacted legislation that prevents states from charging copayments for emergency health services. Flaunting Congress's intent, HHS issued rules in 1983 limiting this exemption to hospital services only, and then only services in "the most accessible" hospital. A Medicaid recipient needing emergency care at a clinic or a doctor's office would have to travel to a hospital to get treatment without having to pay part of the cost of services. For those in rural areas this is particularly absurd in an emergency situation. In addition, dental emergencies are virtually excluded by the hospital-only rule. Moreover, under HHS's rule, emergency care is limited to that "necessary to prevent the death or serious impairment of the health of the individual." Pain, no matter how severe, is not an emergency. The rule constrains states that want to avoid imposing copayments on reasonable requests for emergency services.

In another example, HHS issued rules requiring family planning clinics to notify parents when their daughters receive contraceptives. Several federal courts in 1983 issued decisions striking down these rules as unlawful, noting that Congress, in the law funding family planning clinics, found confidentiality to be a crucial factor in how effective clinics could be at serving teenagers. Many experts thought the so-called "squeal rule" would scare off as many as one-third of the 500,000 teenagers using the clinics each year, and that annually an additional 33,000 teenagers would become pregnant. The invalidated rules would also have made a teenager's eligibility for family planning services depend on the parents' rather than the child's financial resources. This was both a budget-cutting device and a backdoor approach to the intrusive squeal rule.

The administration, through the Office of Management and Budget (OMB), carried on a campaign throughout 1983 to bar almost all legislative, regulatory, or court advocacy by nonprofit

groups that receive any federal funds. Despite its rhetoric about the critical role of private sector charity and about the need for deregulation, the administration proposed to cut off the private sector through a plethora of restrictions and red tape. The original proposal, issued in January 1983, would have prohibited nonprofit groups that receive federal funds from working to influence public policy in any way, even if the work used private funds only. OMB would have allowed public policy work on one condition that was almost impossible for financially strapped groups to meet--that all such work use a separate staff and be done out of a separate office. Following a firestorm of protest from Congress, nonprofit groups, and trade associations, the administration made major revisions in the proposal in November 1983. The new proposal applies to fewer nonprofit groups (it excludes powerful lobbies like hospitals and institutions of higher education). Although significantly better than the initial proposal, it still could have a chilling effect on advocacy, particularly by smaller nonprofit agencies. In addition, it would increase paperwork and record-keeping requirements, contrary to the administration's "desire" to cut red tape.

Finally, since President Reagan took office, the Legal Services Corporation (LSC) has been controlled by a series of Reagan "recess" appointees never confirmed by Congress. In 1983 this Reagan-appointed Legal Services board cut back the definition of which persons and community groups would be considered sufficiently poor to qualify for free services from the local legal services programs that LSC funds. The new rule also eliminated a former provision that made those receiving federal income assistance through programs like AFDC, food stamps, and SSI automatically eligible for legal services, without an additional application. It is obvious that the recipients of such programs cannot afford private legal counsel. The new rule simply diverts resources away from providing legal assistance to executing red tape. Making separate eligibility determinations for people whose poverty has already been determined by public

assistance agencies will create an unnecessary and inefficient intrusion in the delivery of legal services that will drive a wedge between clients and attorneys.

BYPASSING THE PRIOR NOTICE AND COMMENT PROCESS

The Reagan administration often removes protections for program beneficiaries and adds red tape without regard to the procedural requirements of law. This is an attempt to impose policy without public participation and to stifle the voices of dissent.

The Administrative Procedure Act (APA) normally requires agencies to publish proposals for public comments and to consider and respond to comments before issuing a final rule. The public participation process elicits facts, information, and perspectives that the federal agency frequently does not have. It can point out unanticipated problems, inconsistencies, illegalities, and irrational approaches. The Reagan administration has been at war with this procedure for over three years.

A technical loophole in the Administrative Procedure Act says that the public comment process need not apply to rules concerning federal grants or benefits. This exemption dates back to the 1940s when grant and benefits programs were much less important than today. It would potentially exclude AFDC, Medicaid, child nutrition, Social Security, education for handicapped children, and a multitude of child welfare programs from the notice and comment process. After the Administrative Conference of the United States found the exemption outdated, all of the large federal agencies waived the exemption in 1971. In 1982, however, HHS proposed to repeal its waiver and to withdraw rulemaking for its grant and benefit programs from the prior comment system established by law.

Over 1,400 public interest groups, program beneficiaries, medical provider groups, unions, members of Congress, state attorneys general, and state agency officials wrote to object.

HHS has not yet announced whether it will ignore the public comments and adopt the rules restricting such comments in the future, or listen to the public response and continue, at least in theory, to abide by the Administrative Procedure Act. In the meantime, HHS and other agencies have continued to abuse the public comment process to which they claim to adhere by not allowing prior comment on many rules and by not publishing other rules at all.

Under the Administrative Procedure Act, agencies are allowed to bypass prior notice and comment only at times when going through the process would be impracticable or contrary to the public interest. For example, when Congress passes a law that takes effect in a few days and rules are needed immediately, publication for comment before a final rule could be inappropriate. In such instances, agencies publish an "interim" rule, effective immediately, but allowing comments after the fact. Such comments theoretically are considered in adopting the ultimate rule. However, once bureaucrats issue an interim rule, they are too often unwilling to change the legal, practical, and psychological status quo they have created. Public comment is discouraged. Because the interim rule procedure is flawed, it is supposed to be used sparingly.

The administration has abused the interim rule process, publishing dozens of rules without prior notice and comment even though immediate action was not necessary. Several of the rules discussed earlier, such as those for the Primary Care Block Grant and for Medicaid copayments, were published as final without prior notice and comment. Here are some other examples:

Congress increased Head Start's funding for fiscal year 1984 by \$83.75 million in the fall of 1983. Anticipating this increase, the Office of Human Development Services of HHS solicited applications for the new funds. It set out in the Federal Register final criteria for judging competing applications that differed from those in existing regulations and that undercut the congressionally mandated preference for funding existing Head

Start grantees. HHS did this without notice and comment, contravening both the Administrative Procedure Act and a specific Head Start statute requiring publication of rules for comment. After Congress objected to the lack of public comment, HHS published its new criteria, but gave the public only 24 days to respond. Seven days after the comment period closed, HHS republished the criteria and claimed it had considered the more than 1,600 comments it had received. HHS rejected these comments in a cursory manner and left the rule unchanged. Several members of Congress wrote HHS Secretary Margaret Heckler that HHS had violated "both the letter and spirit of" the Administrative Procedure and Head Start acts.

A review by the Center on Social Welfare Policy and Law found that from late 1982 through the fall of 1983, HHS issued 16 final rules for the Supplemental Security Income and Aid to Families with Dependent Children programs. Of the 16 rules, only six were published after a notice and comment period. The majority first came to public view as final or interim final rules. The Center concluded that "HHS appears to be abandoning notice and comment rulemaking as the usual form of rulemaking for substantive rules affecting public benefit programs. (This) is a sorry step for affected recipients. . . . It is also unfortunate for the agency, which loses the benefit of the thoughts of those most directly affected by the rules being made."

A federal court on April 14, 1983, struck down a final rule issued without prior comment by HHS requiring 6,400 hospitals around the country to provide food and medical care to infants born with severe mental or physical defects. The judge did not rule on the substance of the regulation. Rather, he found that HHS had adopted the rule in violation of the Administrative Procedure Act. He found public comment essential on "complex and controversial questions of ethics and public policy." The judge said, regarding public comment, that "(o)nly by preserving this democratic process can good intentions be tempered by wisdom and experience."

In 1982 the plight of a little girl named Katie Beckett led President Reagan to ask HHS to address the problem of certain children on Supplemental Security Income who remain in institutions because going home would cause them to lose Medicaid benefits. This problem called for a detailed reassessment of public policy, with a public comment period. Instead, HHS published a hastily adopted interim rule to judge such children's plights on a case-by-case basis. This standardless, discretionary system could well lead to arbitrary decisions and inequities. It also ignored the need for a broad-based solution to the problem posed by the many Katie Becketts. Congress took the matter into its own hands by passing legislation in 1982 that enables states to create a Medicaid entitlement that provides care for children like Katie in their own homes. More than year later HHS has not issued any rules about this congressional legislation. Instead, in 1983, eight months after Congress had acted and again without allowing for public comment, HHS extended the life of its own discretionary rules. It did not mention that Congress had passed remedial legislation that should supersede HHS's approach.

The case of Katie Beckett is just one example of how the administration delays issuing rules when Congress expands benefits, while rushing to issue rules without prior comment when Congress cuts benefits. When Congress enacted massive program cuts through the Omnibus Budget Reconciliation Act in 1981, HHS rushed to issue interim rules without prior comment. It established the rules governing Congress's cutbacks and added a few of its own that had no basis in the statute. Over two and one-half years later, HHS has still not responded to public comment about these rules or issued the rules in final form.

Congress tried to make up for some of the 1981 cuts in programs in 1982 and, in some instances, ordered a return to prior law, saying that HHS had acted illegally in 1981. In many of the cases where Congress improved benefits, HHS has not yet bothered to issue new regulations. Instead, it has kept in place the hastily written 1981 rules that Congress has said are incorrect.

As detrimental as interim final rules are, at least they are published in the Federal Register so that people are aware of them. Frequently, President Reagan's agencies do not even publish their rules. They use semicovert memoranda to issue, suspend, or change rules:

- In February 1983 HHS told states that they could require the children of elderly or disabled Medicaid patients who are in nursing homes to contribute to the cost of their parents' care. This was a drastic policy change, but nothing about it appeared in the Federal Register. Instead, against the advice of its own General Counsel, HHS sent a memorandum to the state agencies that administer the Medicaid program announcing a new interpretation of the Medicaid statute. The interpretation departed from what everyone had thought the statute said for 18 years. One member of Congress noted, "there has been no change in the...statute (or) in Congressional intent. What has changed is the Administration's respect for the law."
- In 1983 the federal courts and the General Accounting Office also found that HHS had been applying far stricter standards in determining whether mentally disabled individuals are eligible for Social Security and Supplemental Security Income than allowed for by the published rules. HHS has undercut the published rules by issuing unpublicized memoranda and by pressuring staff who decide disability cases to reach results that are inconsistent with the published rules.

In sum, the Reagan administration has used rulemaking to cut benefits and to reduce rights to the maximum extent possible. It has also distorted normal regulatory processes and has drastically reduced citizen input. The administration's subversion of the regulatory process has put an increased burden on Congress, which must devote time and effort to putting into law things that the administration has arbitrarily tried to wipe out of regulations. The Reagan administration has placed a similarly increased demand on the courts to clarify laws when agencies have failed to do so and to prevent agencies from improperly circumventing the laws. Too often, the end result is that laws are not enforced. Accountability and efficiency--and the good guidelines required to ensure that services go to those who need them--are lost. Poor children and families suffer at the hands of government mismanagement.

Appendix A

Cuts in Federal Programs that Serve Children and Families

SELECTED CATEGORICAL CHILDREN'S PROGRAMS

Children's Programs	Change FY 1982		FY 1983 Actual (millions)	FY 1984 Proposed ^b (millions)	FY 1984 Actual ^c (millions)	FY 1985 Proposed ^d (millions)	Change, FY 1984- FY 1985 ^e (percent)
	Current Policy to FY 1983 Actual ^a (millions)	(percent)					
Child Care & Child Welfare							
Head Start ^f	\$ + 8.0	+ 0.9%	\$ 912.0	\$ 974.7	\$ 995.8	\$ 994.7	- 0.1%
Social Services Block Grant ^g	- 649.0	- 20.9	2,450.0	---	2,700.0	---	---
Community Services Block Grant ^g	- 238.1	- 40.6	348.0	---	348.0	---	---
Proposed, FY 1984	- 887.1	- 24.1	2,798.0	2,500.0	3,048.0	2,700.0	- 11.4
Indian Social Services	- 7.4	- 22.0	26.3	22.5	27.3	26.3	- 3.7
Runaway Youth	+ 10.5	+ 95.5	21.5	10.5	23.3	10.5	- 54.8
Juvenile Justice Delinquency Prevention	- 43.4	- 37.3	73.0	0.0	70.2	0.0	- 100.0
Child Abuse State Grants	- 1.0	- 9.2	6.7	6.7	6.7	6.7	0.0
Social Service Demonstrations	- 17.6	- 36.4	22.0	9.3	21.4	4.3	- 80.1
Child Welfare Services ^g	- 20.7	- 11.7	156.3	---	165.0	165.0	0.0
Child Welfare Training ^g	- 1.8	- 31.7	3.8	---	3.8	3.8	0.0
Proposed, FY 1984	- 22.5	- 12.3	160.1	156.3	168.8	168.8	0.0
Subtotal	\$ - 960.5	- 19.3%	\$ 4,019.6	\$ 3,680.0	\$ 4,361.5	\$ 3,911.3	- 10.3%

GENERAL

SELECTED CATEGORICAL CHILDREN'S PROGRAMS
(continued)

Children's Programs	Change FY 1982 Current Policy to FY 1983 Actuals (millions)	(percent)	FY 1983 Actual (millions)	FY 1984 Proposed ^b (millions)	FY 1984 Actual ^c (millions)	FY 1985 Proposed ^d (millions)	Change, FY 1984- FY 1985 ^e (percent)
Child Health							
Maternal & Child Health	\$ - 121.6	- 24.6%	\$ 373.0	\$ 373.0	\$ 399.0	\$ 407.3	+ 2.1
Preventive Health Block Grant	- 21.1	- 19.6	86.3	85.3	88.2	89.0	+ 0.9
Mental Health Block Grant	- 153.8	- 26.3	439.0	439.0	462.0	472.3	+ 2.2
Development Disabilities	- 22.5	- 35.0	60.5	41.3	62.0	64.2	+ 3.5
Immunization	+ 6.4	+ 19.5	39.3	41.9	42.1	46.4	+ 10.2
Venereal Disease Prevention	- 6.0	- 11.6	47.7	48.5	54.7	55.0	+ 0.5
Community Health Centers ^g	- 55.5	- 15.8	295.0	---	331.4	---	
Black Lung Clinics ^g	- 1.8	- 36.7	3.1	---	3.1	---	
Migrant Health ^g	- 8.7	- 18.6	38.1	---	42.0	---	
Family Planning ^g	- 51.0	- 29.1	124.1	---	140.0	---	
Primary Care Demonstration ^g	- 5.2	- 48.1	5.6	---	5.6	---	
Proposed, FY 1985	- 122.2	- 20.8	465.9	460.3	522.1	533.4	+ 2.2
Subtotal	\$ - 440.8	- 22.6%	\$ 1,511.7	\$ 1,489.3	\$ 1,630.1	\$ 1,667.6	+ 2.3%

GENERAL

SELECTED CATEGORICAL CHILDREN'S PROGRAMS
(continued)

Children's Programs	Change FY 1982 Current Policy to FY 1983 Actual ^a		FY 1983 Actual (millions)	FY 1984 Proposed ^b (millions)	FY 1984 Actual ^c (millions)	FY 1985 ^d Proposed (millions)	Change, FY 1984- FY 1985 ^e (percent)
	(millions)	(percent)					
Education							
Compensatory Education	\$ - 794.0	- 20.0%	\$ 3,167.9	\$ 3,014.0	\$ 3,480.0	\$ 3,480.0	0.0
Handicapped Education	- 91.2	- 7.6	1,110.3	1,110.3	1,239.4	1,214.4	- 2.0
Bilingual Education	- 55.9	- 28.8	138.1	94.5	139.4	139.4	0.0
Vocational & Adult Education	- 197.8	- 19.4	823.7	500.0	838.5	838.5	0.0
Indian Education	- 22.3	- 24.9	67.2	0.0	68.8	68.8	0.0
Follow Through	- 24.9	- 56.2	19.4	0.0	14.8	0.0	- 100.0
Women's Educational Equity	- 4.2	- 42.0	5.8	0.0	5.8	0.0	- 100.0
Civil Rights IV-A Centers	- 21.7	- 47.5	24.0	0.0	24.0	0.0	- 100.0
Student Financial Assistance (Pell, Work/Study, Direct)	- 914.8	- 20.4	3,567.8	3,567.8	3,986.9	3,654.0	- 8.3
Higher/Continuing Education	- 49.9	- 11.1	397.7	204.7	416.4	252.1	- 39.5
Subtotal	\$ -2,176.7	- 18.9%	\$ 9,321.9	\$ 8,491.3	\$ 10,214.0	\$ 9,647.2	- 5.5%

GENERAL

SELECTED CATEGORICAL CHILDREN'S PROGRAMS
(continued)

Children's Programs	Change FY 1982 Current Policy to FY 1983 Actuals ^a		FY 1983 Actual (millions)	FY 1984 Proposed ^b (millions)	FY 1984 Actual ^c (millions)	FY 1985 Proposed ^d (millions)	Change, FY 1984- FY 1985 ^e (percent)
	(millions)	(percent)					
Miscellaneous							
Supplemental Food (W.I.C.)	\$ + 64.1	+ 6.2%	\$ 1,092.6	\$ 1,092.6	\$ 1,312.4	\$ 1,290.4	- 1.7%
Job Corps	- 17.4	- 2.9	589.6	585.6	577.5	600.0	+ 3.9
Other Youth Employment (Summer Jobs)	- 1,141.5	- 58.1	824.5	637.5	724.5	637.5	- 12.0
Low-Income Energy Assistance	+ 125.5	+ 6.8	1,975.0	1,300.0	1,875.0	1,875.0	0.0
Legal Services	- 103.0	- 29.9	241.0	0.0	275.0	0.0	- 100.0
Rehabilitation Services	- 8.4	- 0.8	1,036.7	1,036.7	1,121.4	1,091.7	- 2.7
Work Incentives	- 124.1	- 31.4	270.8	0.0	270.8	0.0	- 100.0
Appalachian Area Development	- 152.6	- 95.7	6.8	0.0	7.5	0.0	- 100.0
Subtotal	\$ -1,357.4	- 18.4%	\$ 6,037.0	\$ 4,652.4	\$ 6,164.1	\$ 5,494.6	- 10.9%
Total (excluding housing)	\$ -4,935.4	- 19.1%	\$ 20,890.2	\$ 18,313.0	\$ 22,369.7	\$ 20,720.7	- 7.4%

GENERAL

SELECTED CATEGORICAL CHILDREN'S PROGRAMS
(continued)

Children's Programs	Change FY 1982		FY 1983 Actual (millions)	FY 1984 Proposed ^b (millions)	FY 1984 Actual ^c (millions)	FY 1985 Proposed ^d (millions)	Change, FY 1984- FY 1985 (percent)
	Current Policy to FY 1983 Actual ^a	(percent)					
	(millions)						
Community Development Block Grant	\$ - 582.0	- 14.4%	\$ 3,456.0	\$ 3,500.0	\$ 3,468.0	\$ 3,468.0	0.0%
Low-Income Housing	-13,501.8	- 54.1	11,454.7	6,498.7	9,912.9	6,243.4	- 37.0
Public Housing	- 5,214.1	- 55.6	4,161.9	1,467.3	1,362.2	1,123.5	- 17.5
Subtotal	\$-19,297.9	- 50.3%	\$ 19,072.6	\$ 11,466.0	\$ 14,743.1	\$ 10,834.9	- 26.5%
Total	\$-24,233.3	- 37.7%	\$ 39,962.8	\$ 29,779.0	\$ 37,112.8	\$ 31,555.6	- 15.0%

Notes

^a FY 1982 is the budget authority needed during fiscal year 1982 to operate the programs at the same real level provided by the appropriations that were in effect at the time President Reagan took office. Subsequently President Reagan cut some programs, especially education programs, even in FY 1981; the figures shown do not reflect these "rescissions." Notice that this baseline is equivalent to assuming that inflation has been zero ever since FY 1982 began. Most of the estimates are those supplied to congressional committees by the Congressional Budget Office. In a few cases, where no CBO estimates were available, we used Office of Management and Budget current service estimates, or actual FY 1981 obligations. For details, see previous editions of this book.

^b These are the FY 1984 budget proposals submitted to Congress by the President in February 1983.

^c These are the levels now in effect for FY 1984. They do not reflect proposed rescissions that the President has just submitted.

^d These are the levels proposed for FY 1985 by the President in his budget, February 1, 1984.

^e This is the percentage change from the FY 1984 levels now in effect that would occur if the President's current proposals are enacted. The change shown does not include any allowance for price increases from FY 1984 to FY 1985.

^f The FY 1984 level shown does not include the \$84 million the budget substitutes for the Child Care Food Program funds received by Head Start centers now. Since the \$84 million is less than Head Start would otherwise receive for the numbers of children the Administration intends to serve (the shortfall is about \$8 million, including food price increases), the table overstates the real increase offered to the program.

^g These programs were proposed for inclusion in a block grant in FY 1984, thus they did not have individual budget levels in last year's budget proposals.

MAJOR ENTITLEMENT PROGRAMS OF CRITICAL IMPORTANCE TO CHILDREN AND FAMILIES

Program	Change, FY 1984 Current Policy to FY 1984 Actual ^a		FY 1985 Current Policy (millions)	FY 1985 Proposed (millions)	FY 1985 Proposed, Change from FY 1985 Current Policy	
	(millions)	(percent)			(millions)	(percent)
Food Stamps	\$ - 1,200.0	- 9.6%	\$ 11,154.9	\$ 10,780.9	\$ - 374.0	- 3.4%
Child Nutrition ^b	- 1,333.0	- 25.3	4,155.6	4,106.9	- 48.7	- 1.1
AFDC & Child Support Enforcement ^c	- 1,655.0	- 16.7	8,160.0	7,508.0	- 652.0	- 8.0
Foster Care & Adoption Assistance ^d	0.0	0.0	514.2	473.1	- 41.1	- 8.0
Medicaid	- 1,622.0	- 7.4	23,205.0	22,138.0	- 1,067.0	- 4.6
Total	\$ - 5,810.0	- 11.6%	\$ 47,189.7	\$ 45,006.9	\$ - 2,182.8	- 4.6%

^a This column shows the change in actual FY 1984 expenditures from pre-Reagan administration current policy--that is, from what would have been spent in FY 1984 had the entitlements remained as they were when this administration took office. The reductions are derived from Congressional Budget Office estimates of the reductions (in FY 1984) due to changes enacted in the first two years of the administration. For further details of these past changes, see CDF's A Children's Defense Budget: An Analysis of the President's FY 1984 Budget and Children, Appendix.

^b Includes School Lunch, School Breakfast, Child Care Food, Summer Food, Special Milk, Nutrition Education, administrative costs, and smaller abolished programs. Commodity costs are included in the total. The \$80.4 million cost proposed for transfer to the Head Start program by administrative action in FY 1985 is included in both FY 1985 Current Policy and Proposed columns.

^c For FY 1985, AFDC alone is proposed for \$7,144 million funding, a reduction of \$633 million from the FY 1985 current policy level of \$7,777 million.

^d We have assumed that FY 1985 will require foster care expenditures 4.7 percent higher than FY 1984 actual, due to cost increases, slightly offset by the continuing decline in the number of children in out-of-home placement. The actual increase between FY 1983 and FY 1984 was about 22 percent. We assume that such growth will not continue.

REAL OUTLAYS PER CAPITA (1984 DOLLARS) FOR
NATIONAL DEFENSE AND FOR PROGRAMS FOR
LOW-INCOME FAMILIES AND CHILDREN

<u>Fiscal Year</u>	<u>National Defense</u>	<u>Programs for Low-Income Families and Children</u>
1981	\$ 793	\$ 476
1982	869	424
1983	935	434
1984	1,005	423
1985	1,090	408
1986	1,180	397
1987	1,259	393
1988	1,307	392
1989	1,348	387
Change, FY 1981-	+ \$ 555	- \$ 88
FY 1989	+ 70.0%	- 18.6%

Figures are in 1984 dollars.

National Defense outlays are totals for function 050. Programs for low-income families and children include all outlays for: education, training, and social service (function 500); health care services (subfunction 551) less Medicare; housing assistance (subfunction 604); food and nutrition assistance (subfunction 605); and other income security (subfunction 609). This grouping includes all programs discussed in this book, plus many small categorical programs (e.g., library grants) and a few larger adult employment programs (e.g., employment services) not covered. The annual average level of the Consumer Price Index (CPI-W) for 1982 through 1989 is as shown in the FY 1985 Budget. U.S. total population are estimates from the U.S. Bureau of the Census.

NATIONAL DEFENSE BUDGET AUTHORITY IN 1984 DOLLARS

<u>Fiscal Year</u>	<u>Budget Authority (billions)</u>	<u>Increase Over FY 1969 (percent)</u>
FY 1969 (Vietnam War Peak)	\$ 206.5	
FY 1981	210.6	+ 2.0%
FY 1982	238.3	+ 15.4
FY 1983	256.1	+ 24.0
FY 1984	265.3	+ 28.5
FY 1985	299.1	+ 44.8
FY 1986	327.7	+ 58.7
FY 1987	340.9	+ 65.1
FY 1988	355.4	+ 72.1
FY 1989	371.4	+ 80.0

National Defense budget authority, actual and proposed, as set forth in the proposed FY 1985 administration budget. Each year is converted to real FY 1984 dollars using the gross national product deflator, as predicted by the administration. The Vietnam War peak was the highest post World War II military spending level, although the Korean War peak in FY 1952 was close.

MEDICAID RECIPIENT CHILDREN PER 100 CHILDREN IN POVERTY
(1974-1983)

<u>Year</u>	Total Recipient Children Under 21 Served by Medicaid (Fiscal Year) ^a	Total Children Under 18 in Poverty ^b (Calendar Year)	Children Served By Medicaid Per 100 Children in Poverty ^c
1974	9,478,000	9,967,000	95.1
1975	9,602,000	10,882,000	88.2
1976	9,939,000	10,081,000	98.6
1977	9,715,000	10,028,000	96.9
1978	9,500,000	9,722,000	97.7
1979	9,022,000	9,993,000	90.3
1980	9,285,000	11,114,000	83.5
1981	9,587,000	12,068,000	79.4
1982	9,656,000	13,139,000	73.5

^a This represents the number of dependent children under age 21 for whom one or more Medicaid payments were made at some point during the year. From 1974 through 1976 the counts are for a fiscal year beginning in July and ending in the following June of the year labeled. From 1977 to the present, the year begins in October and ends in the following September of the year labeled.

^b This represents the number of dependent children under the age 18 living in families with a calendar year income below the poverty level.

^c This is the first column divided by the second column, times 100.

Source of Medicaid data: Health Care Financing Administration, U.S. Department of Health and Human Services.

MEDICAID PAYMENTS PER YEAR PER RECIPIENT^a
(FISCAL YEARS 1979-1982)

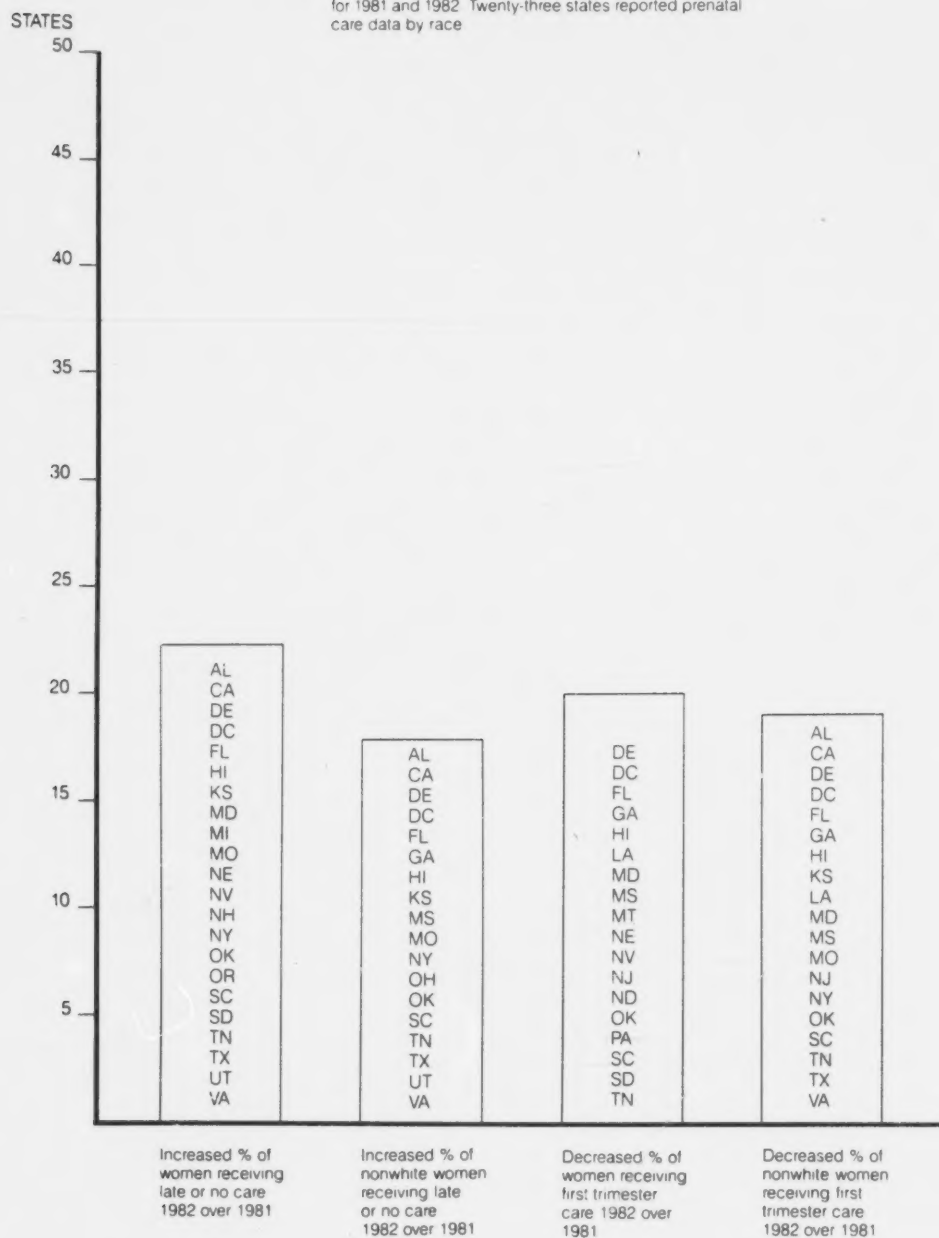
Real Cost Per Person Per Year	FY 1979	FY 1980	FY 1981	FY 1982
Children under 21	\$ 438.56	\$ 424.91	\$ 419.83	\$ 369.20
AFDC Adults	870.73	879.07	835.64	772.53
All AFDC Recipients	582.34	579.13	564.14	513.91
Non-AFDC Medicaid	2,642.30	2,764.45	2,985.21	3,223.35
Total, all Medicaid	\$ 1,331.68	\$ 1,342.33	\$ 1,374.71	\$ 1,363.33
Percentage Change Since Previous Year				
Children under 21	+ 2.4%	- 3.1%	- 1.1%	- 12.1%
AFDC Adults	+ 1.1	+ 1.0	- 4.9	- 7.6
All AFDC Recipients	+ 1.9	- 0.6	- 2.6	- 8.9
Non-AFDC Medicaid	+ 10.2	+ 4.6	+ 8.0	+ 8.0
Total, all Medicaid	+ 8.3%	+ 0.8%	+ 2.4%	- 0.8%
Percentage Change Since FY 1979				
Children under 21	----	- 3.1%	- 4.3%	- 15.8%
AFDC Adults	----	+ 1.0	- 4.0	- 11.3
All AFDC Recipients	----	- 0.6	- 3.1	- 11.8
Non-AFDC Medicaid	----	+ 4.6	+ 13.0	+ 22.0
Total, all Medicaid	----	+ 0.8%	+ 3.2%	+ 2.4

^a Dollars per recipient (a person for whom one or more Medicaid claims were paid) per year, adjusted to 1982 dollars by the medical services component of the Consumer Price Index for that fiscal year.

Source: Health Care Financing Administration.

CHANGES IN PRENATAL CARE BY STATE 1980-1982

Thirty-five states reported prenatal care data for all women for 1981 and 1982. Twenty-three states reported prenatal care data by race.



NUMBER OF CHILDREN RECEIVING AFDC
VERSUS NUMBER OF CHILDREN IN POVERTY

<u>Calendar Year</u>	<u>Monthly Average Number of AFDC Children^a</u>	<u>Number of Children Under 18^b In Poverty</u>	<u>Average Children in AFDC Per 100 Children In Poverty^c</u>
1972	7,905,000	10,082,000	78.4
1973	7,902,000	9,453,000	83.6
1974	7,822,000	9,967,000	78.5
1975	8,095,000	10,882,000	74.4
1976	8,001,000	10,081,000	79.4
1977	7,773,000	10,028,000	77.5
1978	7,402,000	9,772,000	76.1
1979	7,179,000	9,993,000	71.8
1980	7,419,000	11,114,000	66.8
1981 ^d	7,527,000	12,068,000	62.4
1982 ^d	6,899,000	13,139,000	52.5

^a The number of dependent children in active payment status on AFDC averaged over the 12 months in the calendar year.

^b The number of related dependent children living in families with incomes below the poverty level for the calendar year labeled.

^c The first column divided by the second column multiplied by 100. It is not meant to imply that all or only children in poverty level families are eligible for AFDC benefits. Because the poverty level is based on the living arrangements of children in March of the year after the one for which family income is calculated, many children will appear above and below poverty, when that was not in fact true for the families with which the child lived in the previous calendar year. Many children living in families below poverty are not eligible for AFDC because of state limitations on earnings and assets.

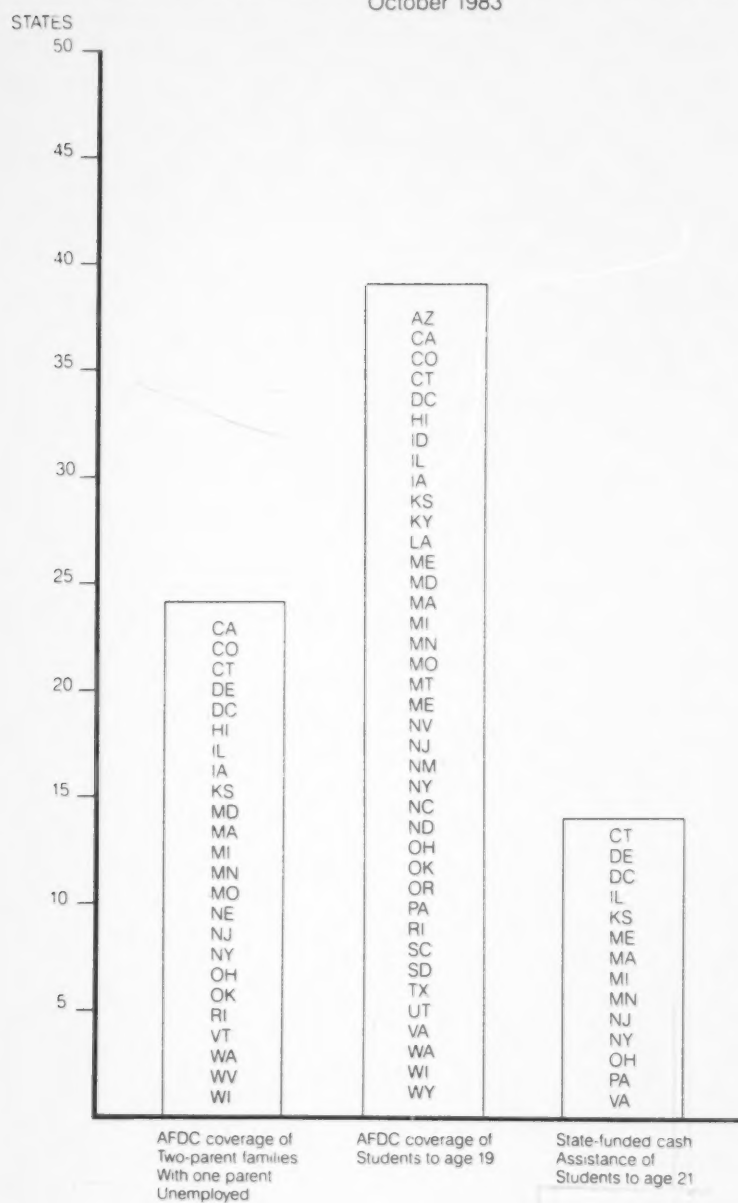
^d About 100,000 AFDC foster children were removed from the reporting system in October 1981. If those children were added back, the 1981 and 1982 ratios would be 62.6 and 53.3, respectively.

AFDC MONTHLY PAYMENT PER RECIPIENT IN CONSTANT DOLLARS
1976-1983

	February 1976 (1983 \$)	February 1983 (1983 \$)	Change 1976-83 (1983 \$)	Percent Change 1976-83	February 1976 (1983 \$)	February 1983 (1983 \$)	Change 1976-83 (1983 \$)	Percent Change 1976-83
Alabama	\$ 54.93	\$39.76	\$- 15.17	- 17.6%	116.05	109.43	- 6.62	- 5.7
Alaska	180.45	235.54	+ 55.90	+ 30.5	98.15	69.81	- 28.34	- 28.9
Arizona	71.33	73.57	+ 2.24	+ 30.1	128.61	101.86	- 26.75	- 20.8
Arkansas	65.75	46.35	- 19.40	- 29.5	145.33	109.36	- 35.97	- 24.7
California	148.93	156.80	+ 7.87	+ 5.3	76.42	73.06	- 3.36	- 4.4
Colorado	120.86	98.35	- 22.51	- 18.6	181.33	129.05	- 52.28	- 28.8
Connecticut	145.98	148.18	+ 2.20	+ 1.5	96.72	70.74	- 25.98	- 26.9
Delaware	111.62	83.55	- 28.07	- 25.1	126.94	112.35	- 14.59	- 11.5
District of Columbia	128.59	111.16	- 17.43	- 13.6	114.14	87.01	- 27.13	- 23.8
Florida	70.46	75.33	+ 4.87	+ 6.9	104.26	86.83	- 17.43	- 16.7
Georgia	56.54	64.51	+ 7.97	+ 14.1	146.05	113.08	- 32.97	- 22.6
Hawaii	181.33	132.62	- 48.71	- 26.9	151.03	106.52	- 44.51	- 29.5
Idaho	145.33	91.25	- 54.08	- 37.2	134.57	143.03	+ 8.46	+ 6.3
Illinois	136.42	93.23	- 43.19	- 31.7	48.52	47.27	- 1.25	- 2.6
Indiana	97.49	74.40	- 23.09	- 23.7	119.61	87.55	- 32.06	- 26.8
Iowa	151.21	118.05	- 33.16	- 21.9	59.98	44.55	- 15.43	- 25.7
Kansas	138.65	105.72	- 32.93	- 23.7	55.71	34.70	- 21.01	- 37.7
Kentucky	98.90	69.59	- 29.31	- 29.6	142.84	120.66	- 22.18	- 15.5
Louisiana	62.40	55.66	- 6.74	- 10.8	134.24	131.28	- 2.96	- 2.2
Maine	97.38	103.40	+ 6.02	+ 6.2	113.26	85.86	- 27.40	- 24.2
Maryland	103.47	97.98	- 5.49	- 5.3	150.54	153.76	+ 3.22	+ 2.1
Massachusetts	153.29	132.81	- 20.48	- 13.4	96.52	64.38	- 32.14	- 33.3
Michigan	155.84	131.83	- 24.01	- 15.4	178.06	148.33	- 29.73	- 16.7
Minnesota	159.16	146.77	- 12.39	- 7.8	112.00	119.24	+ 7.24	+ 6.5
Mississippi	25.15	31.44	+ 6.29	+ 25.0	126.19	107.85	- 18.34	- 14.5
Missouri	80.55	86.90	+ 6.35	+ 7.9	U.S. Total			
Montana	101.72	107.16	+ 5.44	+ 5.3	U.S. Total, Excluding foster care	\$ 107.85	\$- 15.02	- 12.2%

^a Because of price differences, adjustments by national CPI does not correctly reflect trends in local prices.

INCOME SUPPORTS FOR TWO-PARENT FAMILIES AND STUDENTS October 1983



MEDICAID AND CASH ASSISTANCE COVERAGE
FOR PREGNANT WOMEN WITH NO OTHER CHILDREN

	Prior to October 1981			As of October 1983			As of October 1983		
	AFDC and Medicaid From Medical Verification of Pregnancy ¹ /	Medicaid from AFDC from the Sixth Month of Pregnancy	State-Funded Cash Assistance Prior to Sixth Month	AFDC and Medicaid From Medical Verification of Pregnancy ¹ /	Medicaid from AFDC from the Sixth Month of Pregnancy	State-Funded Cash Assistance Prior to Sixth Month	AFDC and Medicaid From Medical Verification of Pregnancy ¹ /	Medicaid from AFDC from the Sixth Month of Pregnancy	State-Funded Cash Assistance Prior to Sixth Month
Alabama	Yes	Yes	No	Louisiana	Yes	Yes	Yes	Yes	Yes
Alaska	No	Yes	Yes ² /	Maine	No	No	No	No	No
Arkansas	No	No	No	Maryland	Yes	Yes	Yes	Yes	Yes
Arizona	No	Yes ² /	Begins in 6th month ³ /	Massachusetts	Yes	Yes	Yes	Yes	Yes ⁴ /
California	Yes	Yes	Yes ⁴ /	Michigan	Yes	Yes	Yes	Yes	Yes ⁵ /
Colorado	Yes	Yes	No	Minnesota	Begins in 7th month	Yes	Begins in 7th month	Yes	Yes ⁶ /
Connecticut	Yes	Yes	Yes ⁶ /	Mississippi	Medicaid only	Yes	Yes	No	No
Delaware	In 9th month only	In 9th month only	Prior to 9th	Missouri	Medicaid only	Yes	Yes	No	No
District of Columbia	Yes	Yes	Yes ⁴ /	Montana	Yes	Yes	Yes	Yes ⁷ /	Yes ⁷ /
Florida	Yes	Yes	No	Nebraska	Yes	Yes	Yes	Yes	Yes ⁴ /
Georgia	No	Yes	No	Nevada	Yes	Yes	Yes	Yes	No
Hawaii	Yes	Yes	No	New Hampshire	No	No	No	No	No
Idaho	Yes	Yes	No	New Jersey	Medicaid only	Yes	Yes	Yes ⁶ /	Yes ⁶ /
Illinois	Yes	Yes	Yes ² /	New Mexico	Begins in 4th month	Yes	Yes	Yes	No
Indiana	No	No	No	New York	Yes	Yes	Yes	Yes	Yes ⁴ /
Iowa	No	Yes	No	North Carolina	No	Yes	Yes	No	No
Kansas	Yes	Yes	Yes ⁵ /	North Dakota	Yes	Yes	Yes	Yes	No
Kentucky	No	Yes	No	Ohio	Yes	Yes	Yes	Yes	Yes ⁶ /
				Oklahoma	No	Yes	Yes	No	No
				Oregon	In 9th month only	Yes	Yes	In 9th month only	No
				Pennsylvania	Yes	Yes	Yes	No	Yes ⁷ /
				Rhode Island	Yes	Yes	Yes	Yes	No

MEDICAID AND CASH ASSISTANCE COVERAGE
FOR PREGNANT WOMEN WITH NO OTHER CHILDREN
(continued)

	Prior to October 1981	As of October 1983	
	AFDC and Medicaid From Medical Verification of Pregnancy/	Medicaid from AFDC from the Sixth Month of Pregnancy	State-Funded Cash Assis- tance Prior to Sixth Month
South Carolina	Yes	Yes	No
South Dakota	Yes	Yes	No
Tennessee	Yes	Yes	No
Texas	No	No	No
Utah	Yes	Yes	No
Vermont	Yes	Yes	No
Virginia	No	No	Yes ^{2/}
Washington	Yes	Yes	Yes ^{4/}
West Virginia	Yes	Yes	No
Wisconsin	Yes	Beings in 7th month	No
Wyoming	Yes	Yes	No

Source: CDF telephone survey of welfare officials in all 50 states and the District of Columbia conducted in September and October 1983.

- 1/ Nine states also provided coverage for the unborn child: California, Montana, Nevada, Pennsylvania and South Carolina throughout the pregnancy, New York beginning in the fourth month, and Minnesota, Wisconsin, and Wyoming beginning in the seventh month.
- 2/ Arizona provides medical assistance under their Access Program which was effective for the first time in October 1982.
- 3/ Effective January 1, 1984, Arizona will provide AFDC beginning in the sixth month and replace its current state-funded cash assistance program.
- 4/ Pregnant women with no other children are eligible for state-funded cash assistance at the AFDC level from the first to fifth month of their pregnancy.
- 5/ The state has established a pregnancy-related category under its General Assistance or General Relief Program for women who would otherwise be eligible for AFDC.
- 6/ The state has a non-pregnancy-related category under its General Assistance or General Relief Program whereby pregnant women can be eligible for assistance without being disabled or unemployable.
- 7/ The state has a non-pregnancy related category under its General Assistance or General Relief Program whereby a pregnant woman can be eligible for assistance without being disabled or unemployable, but it is available only in limited circumstances.

EFFECTS OF CHAPTER II AND BUDGET CUTS ON 29 LARGE CITIES, BY RACE

School Years 1980-81 to 1982-83

EDUCATION

City	Black \$ Lost	Hispanic \$ Lost	Other Minority \$ Lost	White, Non- Hispanic \$ Lost	Percent of Funding Lost
California					
Los Angeles	\$ 3,454,750	\$ 5,251,220	\$ 967,330	\$ 4,145,700	63.4%
Oakland	502,500	60,000	67,500	120,000	71.5
San Francisco	541,720	280,200	653,800	392,280	69.2
Long Beach	(+ 16,020)	(+ 13,350)	(+ 5,340)	(+ 54,290)	(+ 46.6% gain)
Colorado					
Denver	251,680	354,640	34,320	503,360	61.5
District of Columbia					
Washington	766,100	8,150	8,150	32,600	27.1
Florida					
Dade County (Miami)	209,090	230,720	7,210	273,080	25.0
Georgia					
Atlanta	42,300	---	---	4,700	5.4
Illinois					
Chicago	195,200	51,200	3,200	70,400	5.5
Louisiana					
New Orleans	1,205,990	14,530	29,060	203,420	68.8
Maryland					
Baltimore	199,430	---	2,590	56,980	16.0
Massachusetts					
Boston	1,255,320	342,360	114,120	1,141,200	73.8
Michigan					
Detroit	3,196,200	76,100	---	532,700	52.7
Minnesota					
Minneapolis	147,240	8,180	57,260	605,320	75.0
Missouri					
St. Louis	5,287,300	71,450	---	1,786,250	91.6

EFFECTS OF CHAPTER II AND BUDGET CUTS ON 29 LARGE CITIES, BY RACE
(continued)

City	Black \$ Lost	Hispanic \$ Lost	Other Minority \$ Lost	White, Non- Hispanic \$ Lost	Percent of Funding Lost
New Mexico Albuquerque	\$ 900	\$ 12,000	\$ 1,200	\$ 15,900	5.9%
New York Buffalo	2,644,540	229,960	114,980	2,759,520	85.8
New York New York	5,336,760	4,105,200	273,680	3,968,360	61.8
Ohio Cleveland	4,311,090	205,290	136,860	2,189,760	87.0
Toledo	255,420	30,960	---	487,620	67.6
Oregon Portland	23,100	3,300	8,250	130,350	23.1
Pennsylvania Philadelphia	3,392,020	328,260	54,710	1,696,010	61.5
Pittsburgh	139,680	---	---	151,320	32.8
Tennessee Memphis	198,320	---	---	69,680	22.0
Nashville	153,280	---	---	325,720	46.2
Texas Dallas	1,618,960	528,640	33,040	1,123,360	79.5
Virginia Norfolk	322,380	---	23,880	250,740	55.4
Washington Seattle	1,256,200	251,240	879,340	3,894,220	89.6
Wisconsin Milwaukee	2,441,880	290,700	116,280	2,965,140	68.3
29-City Total	\$ 39,333,330	\$ 12,720,950	\$ 3,581,420	\$ 29,841,400	63.0

Source: U.S. Department of Education; data compiled by CDF staff.

EDUCATION

PARTICIPANTS IN TITLE I OF THE ELEMENTARY AND SECONDARY EDUCATION ACT^a

	School Year 1980-81	School Year 1981-82	Change	Percent Change	School Year 1980-81	School Year 1981-82	Change	Percent Change	
Alabama	130,523	121,092	- 9,431	- 7.2	Michigan	153,930	138,603	- 5,327	-10.0
Alaska	4,585	4,689	+ 104	+ 2.3	Minnesota	56,713	52,048	- 4,665	- 8.2
Arizona	69,672	42,477	-27,195	-39.0	Mississippi	129,595	117,934	-11,661	- 9.0
Arkansas	81,188	70,893	-10,295	-12.7	Missouri	95,286	86,334	- 8,952	- 9.4
California	747,317	766,125	+18,808	+ 2.5	Montana	13,504	11,765	- 1,739	-12.9
Colorado	37,613	33,563	- 4,050	-10.8	Nebraska	23,748	26,783	+ 3,035	+12.8
Connecticut	55,730	43,694	-12,036	-21.6	Nevada	5,490	6,692	+ 1,202	+21.9
Delaware	9,921	8,148	- 1,773	-17.9	New Hampshire	9,046	6,687	- 2,359	-26.1
Dist. of Col.	17,088	13,765	- 3,323	-19.4	New Jersey	115,545	122,785	+ 7,240	+ 6.3
Florida	147,354	126,707	-20,647	-14.0	New Mexico	32,343	28,748	- 3,595	-11.1
Georgia	157,419	170,538	+13,119	+ 8.3	New York	329,780	317,739	-12,041	- 3.7
Hawaii	15,336	11,195	- 4,141	-27.0	North Carolina	144,649	135,456	- 9,193	- 6.4
Idaho	15,699	14,286	- 1,413	- 9.0	North Dakota	9,522	7,018	- 2,504	-26.3
Illinois	152,053	134,508	-17,545	-11.5	Ohio	135,895	119,042	-16,853	-12.4
Indiana	88,787	85,028	- 3,759	- 4.2	Oklahoma	80,231	68,834	-11,397	-14.2
Iowa	40,043	36,808	- 3,235	- 8.1	Oregon	30,545	29,205	- 1,340	- 4.4
Kansas	40,309	38,439	- 1,870	- 4.6	Pennsylvania	240,451	218,418	-22,033	- 9.2
Kentucky	110,650	104,355	- 6,295	- 5.7	Rhode Island	16,073	12,076	- 4,627	-27.7
Louisiana	134,285	103,405	-30,880	-23.0	South Carolina	90,471	71,439	-19,032	-21.0
Maine	22,153	21,936	- 217	- 1.0	South Dakota	14,030	13,016	- 1,014	- 7.2
Maryland	66,713	56,794	- 9,919	-14.9	Tennessee	101,295	88,794	-12,501	-12.3
Massachusetts	83,905	73,402	-10,503	-12.5	Texas	410,372	345,214	-65,158	-15.9
					Utah	18,903	17,862	- 1,041	- 5.5
					Vermont	10,307	8,376	- 1,931	-18.7
					Virginia	104,111	88,805	-15,306	-14.7

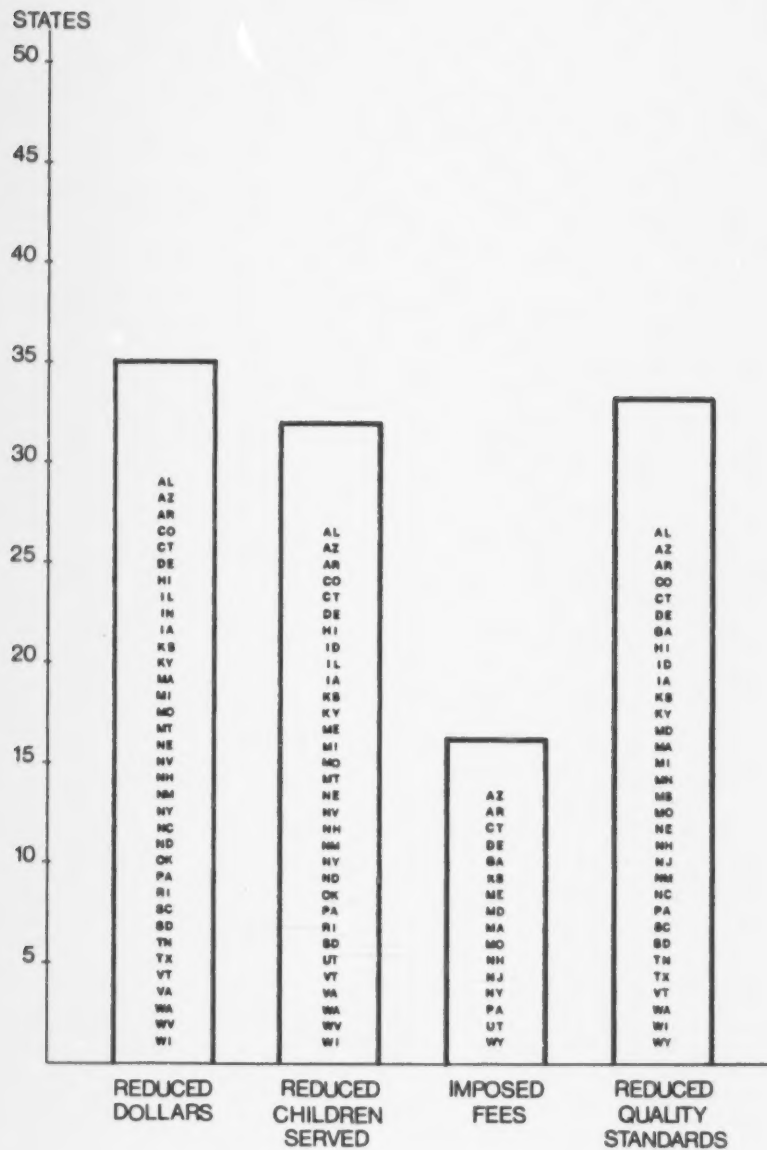
EDUCATION

PARTICIPANTS IN TITLE I OF THE ELEMENTARY AND SECONDARY EDUCATION ACT^a
(continued)

	School Year 1980-81	School Year 1981-82	Change	Percent Change
Washington	60,292	55,229	- 5,063	- 8.4
West Virginia	41,141	40,564	- 577	- 1.4
Wisconsin	67,107	60,693	- 6,414	- 9.6
Wyoming	4,349	4,642	+ 293	+ 6.7
Puerto Rico	256,785	242,164	- 14,621	- 5.7
BIA	32,691	23,545	- 9,146	-28.0
Territories	17,693	21,515	- 3,822	+21.6
Subtotal				
Public	5,085,236	4,669,872	-415,364	- 8.2
Private	213,380	185,125	- 28,255	-13.2
Institutions	48,049	49,061	+ 1,012	+ 2.1
Total	5,346,665	4,904,058	442,607	- 8.3

^a These are aggregate figures. Title I funds and participation actually vary by school district. Such variations are not reflected in this chart.

CHILD CARE FOR LOW INCOME FAMILIES
CHANGES IN STATE POLICIES, 1981-1983



TOTAL EXPENDITURES ON CHILD CARE (TITLE XX/SSBG)
1981-1983, AND PERCENTAGE CHANGE

	Total Child Care Expenditures from Title XX/SSBG (state and federal)			Percent Change		Total Percent Change
	1981	1982	1983	1981-1982	1982-1983	1981-1983
Alabama	16,637,000	10,200,000	11,246,000	- 39%	+ 10%	- 32%
Alaska						
Arizona	18,668,100	16,921,500	18,639,800 ⁴	- 9	+ 10	0
Arkansas	3,727,316	3,563,767	3,486,516	- 4	- 2	- 6
California						
Colorado	14,800,000	16,600,000	9,034,000	+ 12	- 46	- 39
Connecticut	14,972,983	14,000,000 ¹⁷	14,000,000 ¹⁷	- 6	0	- 6
Delaware	4,671,912	2,988,219	2,258,491	- 36	- 24	- 52
D.C.	11,370,000	12,074,500	13,238,600	+ 6	+ 10	+ 16
Florida	26,119,006	29,792,737	32,638,418 ²²	+ 14	+ 10	+ 25
Georgia	20,581,855	20,280,477	22,842,000 ⁵	- 1	+ 13	+ 11
Hawaii	2,935,409	1,750,683	1,492,294	- 40	- 15	- 49
Idaho	9,249,000 ¹	10,765,000 ¹	9,251,000 ¹	+ 16	- 14	0
Illinois	55,996,100 ²	49,501,000 ²	43,704,100 ²	- 12	- 12	- 22
Indiana	8,493,000	8,403,000	8,400,000	- 1	0	- 1
Iowa	2,201,537	1,505,165	1,578,614	- 32	+ 5	- 28
Kansas	8,842,801	8,627,738	2,512,253 ³	- 2	- 71	- 72
Kentucky	3,750,000	2,842,844	3,000,591	- 24	+ 6	- 20
Louisiana	10,422,414	11,287,326	11,649,585	+ 8	+ 3	+ 12

TOTAL EXPENDITURES ON CHILD CARE (TITLE XX/SSBG)
1981-1983, AND PERCENTAGE CHANGE
(continued)

	Total Child Care Expenditures from Title XX/SSBG (state and federal)				Percent Change		Total Percent Change
	1981	1982	1983		1981-1982	1982-1983	1981-1983
Maine	3,742,940	3,781,290	3,833,236		+ 1	+ 1	+ 2
Maryland	13,000,000	11,850,000	13,500,000		- 9	+ 14	+ 4
Massachusetts	43,000,000	38,000,000	39,000,000		- 12	+ 3	- 9
Michigan	21,649,171	7,587,561 ⁷	4,000,000		- 65	- 47	- 82
Minnesota	1,726,801 ²	* ²⁰			-	-	-
Mississippi	6,008,072	6,487,650	6,500,000		+ 8	0	+ 8
Missouri	13,111,044	9,199,862 ⁸	8,809,839 ⁹		- 30	- 4	- 33
Montana	214,713	much less	much less		-	-	-
Nebraska	3,813,880 ¹⁰	3,492,045	3,439,000		- 8	- 2	- 10
Nevada	921,995 ¹¹	782,557 ¹¹	641,166 ¹¹		- 15	- 18	- 30
New Hampshire	2,500,000	2,200,000	2,621,420		- 12	+ 19	+ 5
New Jersey	36,829,400	40,538,650 ⁵	40,538,650 ⁵		+ 10	0	+ 10
New Mexico	2,407,833	1,848,046	2,220,211		- 23	+ 20	- 8
New York	124,700,000	119,600,000	116,100,000		- 4	- 3	- 7
North Carolina	14,924,576 ¹²	11,521,590 ¹²	11,747,408 ¹²		- 23	+ 2	- 21
North Dakota	536,718	* ¹⁹			-	-	-
Ohio							
Oklahoma	15,002,733	12,978,341	14,256,646		- 13	+ 10	- 5
Oregon							

CHILD CARE

TOTAL EXPENDITURES ON CHILD CARE (TITLE XX/SSBG)
1981-1983, AND PERCENTAGE CHANGE
(continued)

	Total Child Care Expenditures from Title XX/SSBG (state and federal)		Percent Change		Total Percent Change
	1981	1982	1981-1982	1982-1983	1981-1983
Pennsylvania	66,858,000	62,722,000	- 6	- 8	- 14
Rhode Island	3,810,000	2,072,000	- 46	- 45	- 70
South Carolina	11,525,906	10,120,000	- 12	+ 10	- 4
South Dakota	1,159,778	1,459,896	+ 26	- 67	- 58
Tennessee	14,180,000	17,791,700	+ 25	- 21	0
Texas	36,607,000 ¹⁵	29,456,000	- 20	+ 7	- 14
Utah	4,770,100	4,959,500			+ 15
Vermont	1,957,580	1,362,463 ²¹	- 30	+ 2	- 24
Virginia	7,700,058	4,935,837	- 36	-	-
Washington	4,800,000	3,600,000	- 25	+ 11	- 17
West Virginia	7,158,261	6,258,000	- 13	- 7	- 19
Wisconsin	8,270,000 ¹⁶	7,720,000 ¹⁶	- 7	+ 4	- 3
Wyoming	900,000	1,200,000	+ 33	+ 13	+ 50

Footnotes

1 Number is for children's services; not just child care.

2 Budgeted, not expanded.

3 1982 projections, 1983 projections.

4 Planning figure.

5 Two-year plan.

6 Increase due to existence of carry forward funds.

7 Plus \$7,238,013 spent on Title IV-A, 1982; \$9 million spent on Title IV-A, 1983.

8 Changed accounting figures; numbers misleading.

9 Projected.

10 Major decrease pre-CBPA.

11 Money available not necessarily spent.

12 They have had a separate state-funded program since 1980, which is about \$8.9 million. They have made up the cuts from other sources.

13 Reasonably accurate estimate.

14 Reflects transfer to Title IV-A.

15 Direct services.

16 Calendar year.

17 Estimate.

18 FY 1980-1981 includes WIN, \$412,400; FY 1981-1982 includes WIN, \$493,200;

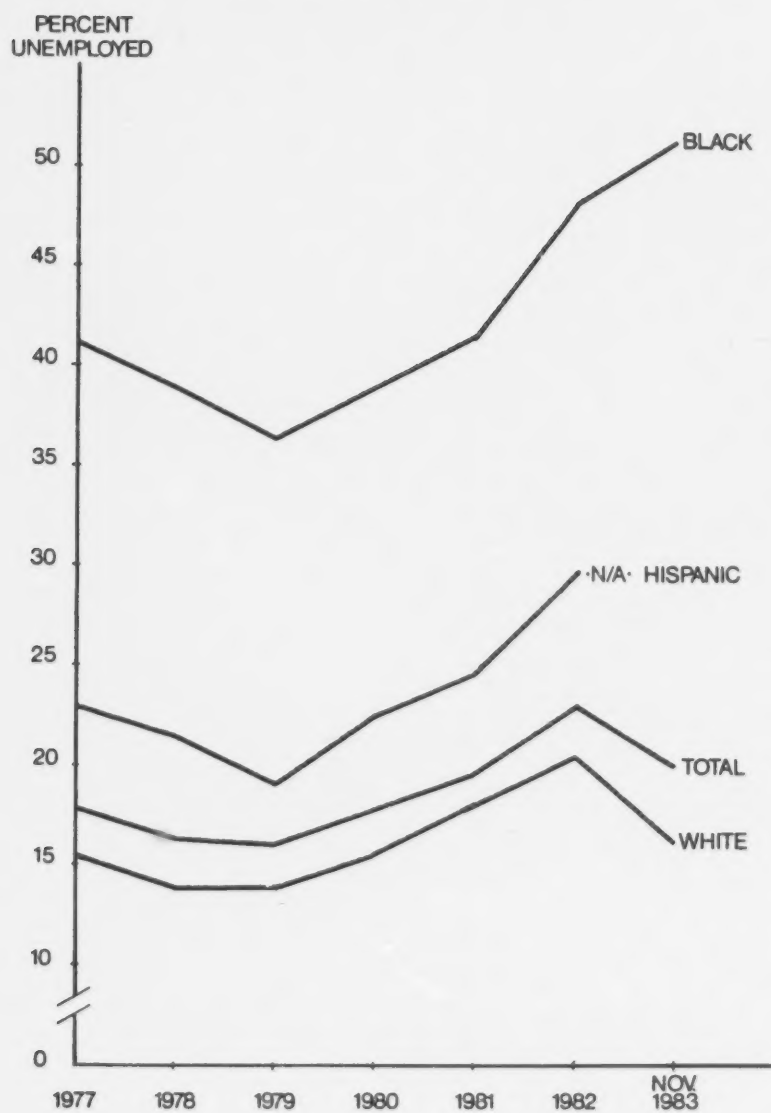
FY 1982-1983 includes WIN, \$315,007; Low Income Energy Assistance, \$654,005.

19 Just staff time spent on licensing.

20 Little or no information on the amount spent on child care. Federal and state money is portioned out to counties. Counties do with it what they please.

21 Had budgeted more but publicity about changes in program led clients to believe they were not eligible.

22 Includes \$1,862,396 transferred from Low Income Energy Assistance Block Grant.

UNEMPLOYMENT RATE AMONG YOUTH
16-19 YEARS OLD, 1977-1983

Appendix B

Information about Congress

CONGRESSIONAL COMMITTEES WORKING
ON CHILDREN'S ISSUES

Senate

Appropriations

S-128 Capitol Building
Washington, D.C. 20510
(202) 224-3471

Responsibilities: Item-by-item decisions on how much money to
spend for each federal program each year.

Republicans

* Mark O. Hatfield, of Oregon; *Chairman*
* Ted Stevens, of Alaska
* Lowell P. Weicker, of Connecticut
* James A. McClure, of Idaho
Paul Laxalt, of Nevada
Jake Garn, of Utah
Thad Cochran, of Mississippi
* Mark Andrews, of North Dakota
James Abdnor, of South Dakota
Bob Kasten, of Wisconsin
Alfonse M. D'Amato, of New York
Mack Mattingly, of Georgia
* Warren Rudman, of New Hampshire
* Arlen Specter, of Pennsylvania
* Pete V. Domenici, of New Mexico

Democrats

John C. Stennis, of Mississippi
* Robert C. Byrd, of West Virginia
* William Proxmire, of Wisconsin
* Daniel K. Inouye, of Hawaii
* Ernest F. Hollings, of South Carolina
* Thomas F. Eagleton, of Missouri
* Lawton Chiles, of Florida
J. Bennett Johnston, of Louisiana
Walter D. Huddleston, of Kentucky
* Quentin N. Burdick, of North Dakota
Patrick J. Leahy, of Vermont
Jim Sasser, of Tennessee
Dennis DeConcini, of Arizona
Dale Bumpers, of Arkansas

* Member of Labor, Health and Human Services, Education, and
Related Agencies Subcommittee, chaired by Senator Lowell Weicker.

CONGRESSIONAL COMMITTEES
(continued)

Budget

SD-621 Dirksen Senate Office Building
Washington, D.C. 20510
(202) 224-0642

Responsibilities: Drafting and approving a congressional budget, or "budget resolution," which sets very general spending targets for the coming year.

Republicans

Pete V. Domenici, of New Mexico,
Chairman
William L. Armstrong, of Colorado
Nancy Landon Kassebaum, of Kansas
Rudy Boschwitz, of Minnesota
Orrin G. Hatch, of Utah
John Tower, of Texas
Mark Andrews, of North Dakota
Steven D. Symms, of Idaho
Charles E. Grassley, of Iowa
Bob Kasten, of Wisconsin
Dan Quayle, of Indiana
Slade Gorton, of Washington

Democrats

Lawton Chiles, of Florida
Ernest F. Hollings, of South Carolina
Joseph R. Biden, of Delaware
J. Bennett Johnston, of Louisiana
Jim Sasser, of Tennessee
Gary Hart, of Colorado
Howard M. Metzenbaum, of Ohio
Donald W. Riegle, of Michigan
Daniel Patrick Moynihan, of New York
J. James Exon, of Nebraska

Finance

SD-219 Dirksen Senate Office Building
Washington, D.C. 20510
(202) 224-4515

Responsibilities: Authorization and oversight for a broad range of important children's programs, including: the Adoption Assistance and Child Welfare Act of 1980; the Early Periodic Screening, Diagnosis, and Treatment (EPSDT) program under Medicaid; Medicaid; Aid to Families with Dependent Children (AFDC); Title XX Social Services; the Maternal and Child Health and Crippled Children's programs (Title V); Child Support, Social Security; Supplemental Security Income (SSI); Dependent Care Tax Credits; and all tax and revenue measures.

Republicans

Robert Dole, of Kansas, *Chairman*
Bob Packwood, of Oregon
William V. Roth, of Delaware
John C. Danforth, of Missouri
John H. Chafee, of Rhode Island
John Heinz, of Pennsylvania
Malcolm Wallop, of Wyoming
Dave Durenberger, of Minnesota
William L. Armstrong, of Colorado
Steven D. Symms, of Idaho
Charles E. Grassley, of Iowa

Democrats

Russell B. Long, of Louisiana
Lloyd Bentsen, of Texas
Spark M. Matsunaga, of Hawaii
Daniel Patrick Moynihan, of New York
Max Baucus, of Montana
David L. Boren, of Oklahoma
Bill Bradley, of New Jersey
George J. Mitchell, of Maine
David Pryor, of Arkansas

CONGRESSIONAL COMMITTEES
(continued)

Labor and Human Resources

SD-428 Dirksen Senate Office Building
Washington, D.C. 20510
(202) 224-5375

Responsibilities: Authorization and oversight for a number of education, labor and social programs, including: Head Start; Chapter I Education of the Disadvantaged; Child Abuse Prevention and Treatment; and many others.

Republicans

Orrin G. Hatch, of Utah, *Chairman*
Robert T. Stafford, of Vermont
Dan Quayle, of Indiana
Don Nickles, of Oklahoma
Gordon J. Humphrey, of New Hampshire
Jeremiah Denton, of Alabama
Lowell P. Weicker, of Connecticut
Charles E. Grassley, of Iowa
John P. East, of North Carolina
Paula Hawkins, of Florida

Democrats

Edward M. Kennedy, of Massachusetts
Jennings Randolph, of West Virginia
Claiborne Pell, of Rhode Island
Thomas F. Eagleton, of Missouri
Donald W. Riegle, of Michigan
Howard M. Metzenbaum, of Ohio
Spark M. Matsunaga, of Hawaii
Christopher J. Dodd, of Connecticut

Senate Children's Caucus

*SH-324 Hart Senate Office Building
Washington, D.C. 20510
(202) 224-2823

Responsibilities: The Caucus is a bipartisan group of Senators which was formed to help identify and address issues affecting children.

Republicans

Arlen Specter, of Pennsylvania, *Co-Chairman*
Mark Andrews, of North Dakota
John H. Chafee, of Rhode Island
Jeremiah A. Denton, of Alabama
Robert Dole, of Kansas
David Durenberger, of Minnesota
Charles E. Grassley, of Iowa
Paula Hawkins, of Florida
John Heinz, of Pennsylvania
Robert T. Stafford, of Vermont
Charles McC. Mathias, Jr., of Maryland

Democrats

Christopher J. Dodd, of Connecticut, *Co-Chairman*
Max Baucus, of Montana
Bill Bradley, of New Jersey
Dale Bumpers, of Arkansas
Lawton Chiles, of Florida
Alan Cranston, of California
Dennis DeConcini, of Arizona
Thomas F. Eagleton, of Missouri
Daniel K. Inouye, of Hawaii
Carl M. Levin, of Michigan
Howard M. Metzenbaum, of Ohio
George J. Mitchell, of Maine
Claiborne Pell, of Rhode Island
Donald W. Riegle, Jr., of Michigan

* Senator Dodd's office.

CONGRESSIONAL COMMITTEES
(continued)

House

Appropriations

H-218 Capitol Building
Washington, D.C. 21515
(202) 225-2771

Responsibilities: Item-by-item decisions on how much money to spend for federal programs each year.

Democrats

Jamie L. Whitten, Miss., chairman
Edward P. Boland, Mass.
*William H. Natcher, Ky.
*Neal Smith, Iowa
Joseph P. Addabbo, N.Y.
Clarence D. Long, Md.
Sidney R. Yates, Ill.
*David R. Obey, Wis.
*Edward R. Roybal, Calif.
*Louis Stokes, Ohio
Tom Bevill, Ala.
Bill Chappell, Jr., Fla.
Bill Alexander, Ark.
John P. Murtha, Pa.
Bob Traxler, Mich.
*Joseph D. Early, Mass.
Charles Wilson, Tex.
Lindy (Mrs. Hale) Boggs, La.
Norman D. Dicks, Wash.
Matthew F. McHugh, N.Y.
William Lehman, Fla.
Jack Hightower, Tex.
Martin Olav Sabo, Minn.
Julian C. Dixon, Calif.
Vic Fazio, Calif.
W. G. (Bill) Hefner, N.C.
Les AuCoin, Oreg.
Daniel K. Akaka, Hawaii
Wes Watkins, Okla.
William H. Gray III, Pa.
*Bernard J. Dwyer, N.J.
William R. Ratchford, Conn.
William Hill Boner, Tenn.
*Steny H. Hoyer, Md.
Bob Carr, Mich.
Robert J. Mrazek, N.Y.

Republicans

*Silvio O. Conte, Mass.
Joseph M. McDade, Pa.
Jack Edwards, Ala.
John T. Myers, Ind.
J. Kenneth Robinson, Va.
Clarence E. Miller, Ohio
Lawrence Coughlin, Pa.
*C. W. Bill Young, Fla.
Jack F. Kemp, N.Y.
Ralph Regula, Ohio
*George M. O'Brien, Ill.
Virginia Smith, Nebr.
Eldon Rudd, Ariz.
*Carl D. Pursell, Mich.
Mickey Edwards, Okla.
Bob Livingston, La.
Bill Green, N.Y.
Tom Loeffler, Tex.
Jerry Lewis, Calif.
*John Edward Porter, Ill.
Harold Rogers, Ky.

* Member of Labor, Health and Human Services, Education, and Related Agencies Subcommittee, chaired by Congressman William H. Natcher.

CONGRESSIONAL COMMITTEES
(continued)

Budget

214 House Office Building, Annex I
Washington, D.C. 20515
(202) 226-7200

Responsibilities: Drafting and approving a congressional budget, or "budget resolution," which sets very general spending targets for the coming year.

Democrats

James R. Jones, Okla., chairman
Jim Wright, Tex.
Stephen J. Solarz, N.Y.
Timothy E. Wirth, Colo.
Leon E. Panetta, Calif.
Richard A. Gephardt, Mo.
Bill Nelson, Fla.
Les Aspin, Wis.
W. G. (Bill) Hefner, N.C.
Thomas J. Downey, N.Y.
Brian J. Donnelly, Mass.
Mike Lowry, Wash.
Butler Derrick, S.C.
George Miller, Calif.
William H. Gray III, Pa.
Pat Williams, Mont.
Geraldine A. Ferraro, N.Y.
Howard Wolpe, Mich.
Martin Frost, Tex.
Vic Fazio, Calif.

Republicans

Delbert L. Latta, Ohio
Bud Shuster, Pa.
Bill Frenzel, Minn.
Jack F. Kemp, N.Y.
Ed Bethune, Ark.
Phil Gramm, Tex.
Lynn Martin, Ill.
Bobbi Fiedler, Calif.
Willis D. Gradison, Jr., Ohio
Tom Loeffler, Tex.
Connie Mack, Fla.

Education and Labor

2181 Rayburn House Office Building
Washington, D.C. 20515
(202) 225-4527

Responsibilities: Authorization and oversight for education and labor programs, including: Head Start; Chapter I Education of the Disadvantaged; Child Abuse Prevention and Treatment; and many others.

Democrats

Carl D. Perkins, Ky., chairman
Augustus F. Hawkins, Calif.
William D. Ford, Mich.
Joseph M. Gaydos, Pa.
William (Bill) Clay, Mo.
Mario Biaggi, N.Y.
Ike Andrews, N.C.
Paul Simon, Ill.
George Miller, Calif.
Austin J. Murphy, Pa.
Baltasar Corrada, P.R.
Dale E. Kildee, Mich.
Pat Williams, Mont.
Ray Kogovsek, Colo.
Matthew G. Martinez, Calif.
Major R. Owens, N.Y.
Frank Harrison, Pa.
Frederick C. (Rick) Boucher, Va.
Gary L. Ackerman, N.Y.
Sala Burton, Calif.
Dennis E. Eckart,² Ohio
Timothy J. Penny,² Minn.
Charles A. Hayes, Ill.

Republicans

John N. Erlenborn, Ill.
James M. Jeffords, Vt.
William F. Goodling, Pa.
E. Thomas Coleman, Mo.
Thomas E. Petri, Wis.
Marge Roukema, N.J.
Steve Gunderson, Wis.
Steve Bartlett, Tex.
Ron Packard, Calif.
Howard C. Nielson, Utah
Rod Chandler, Wash.
Vacant
Vacant

CONGRESSIONAL COMMITTEES
(continued)

Energy and Commerce

2125 Rayburn House Office Building
Washington, D.C. 20515
(202) 225-2927

Responsibilities: Authorization and oversight for Medicaid and other health programs, in addition to all energy, commerce, and environmental matters.

Democrats

John D. Dingell, Mich., chairman
*James H. Scheuer, N.Y.
*Richard L. Ottinger, N.Y.
*Henry A. Waxman, Calif.
*Timothy E. Wirth, Colo.
Philip R. Sharp, Ind.
James J. Florio, N.J.
Edward J. Markey, Mass.
*Thomas A. Luken, Ohio
*Doug Walgren, Pa.
Albert Gore, Jr., Tenn.
*Barbara A. Mikulski, Md.
Al Swift, Wash.
*Mickey Leland, Tex.
*Richard C. Shelby, Ala.
Cardiss Collins, Ill.
Mike Synar, Okla.
W. J. (Billy) Tauzin, La.
*Ron Wyden, Oreg.
Ralph M. Hall, Tex.
*Dennis E. Eckart, Ohio
Wayne Dowdy, Miss.
Bill Richardson, N. Mex.
Jim Slattery, Kans.
*Gerry Sikorski, Minn.
John Bryant, Tex.
Jim Bates, Calif.

Republicans

James T. Broyhill, N.C.
Norman F. Lent, N.Y.
*Edward R. Madigan, Ill.
Carlos J. Moorhead, Calif.
Matthew J. Rinaldo, N.J.
Tom Corcoran, Ill.
*William E. Dannemeyer, Calif.
*Bob Whittaker, Kans.
Thomas J. Tauke, Iowa
Don Ritter, Pa.
Dan Coats, Ind.
*Thomas J. Bliley, Jr., Va.
Jack Fields, Tex.
Michael G. Oxley, Ohio
*Howard C. Nielson, Utah

* Member of the Health and Environment Subcommittee, chaired by Congressman Henry Waxman.

CONGRESSIONAL COMMITTEES
(continued)

Ways and Means

1102 Longworth House Office Building
Washington, D.C. 20515
(202) 225-3625

Responsibilities: Authorization and oversight for a number of important children's programs, including: Title XX Social Services; the Adoption Assistance and Child Welfare Act of 1980; Aid to Families with Dependent Children (AFDC); Child Support; Supplemental Security Income (SSI); Social Security; Dependent Care Tax Credits; and all other tax and revenue measures.

Democrats

Dan Rostenkowski, Ill., chairman
Sam Gibbons, Fla.
J. J. Pickle, Tex.
Charles B. Rangel, N.Y.
*Fortney H. (Pete) Stark, Calif.
James R. Jones, Okla.
Andrew Jacobs, Jr., Ind.
*Harold E. Ford, Tenn.
Ed Jenkins, Ga.
Richard A. Gephardt, Mo.
Thomas J. Downey, N.Y.
Cecil (Cec) Heftel, Hawaii
*Wyche Fowler, Jr., Ga.
Frank J. Guarini, N.J.
James M. Shannon, Mass.
Marty Russo, Ill.
*Donald J. Pease, Ohio
*Kent Hance, Tex.
*Robert T. Matsui, Calif.
Beryl Anthony, Jr., Ark.
Ronnie G. Flippo, Ala.
Byron L. Dorgan, N. Dak.
*Barbara B. Kennelly, Conn.

Republicans

Barber B. Conable, Jr., N.Y.
John J. Duncan, Tenn.
Bill Archer, Tex.
Guy Vander Jagt, Mich.
Philip M. Crane, Ill.
*Bill Frenzel, Minn.
James G. Martin, N.C.
Richard T. Schulze, Pa.
Willis D. Gradison, Jr., Ohio
*W. Henson Moore, La.
*Carroll A. Campbell, Jr., S.C.
*William M. Thomas, Calif.

* Member of the Public Assistance and Unemployment Compensation Subcommittee, chaired by Congressman Harold E. Ford.

CONGRESSIONAL COMMITTEES
(continued)

Select Committee on Children, Youth,
and Families

H-2-385 House Office Building, Annex II
Washington, D.C. 20515
(202) 226-7660

Responsibilities: Study and review of problems of children, youth, and families and the development of policies that would encourage the coordination of both governmental and private programs designed to address these programs.

Democrats

William Lehman, Fla.
Patricia Schroeder, Colo.
Lindy (Mrs. Hale) Boggs, La.
Matthew F. McHugh, N.Y.
Jerry M. Patterson, Calif.
Barbara A. Mikulski, Md.
Ted Weiss, N.Y.
Beryl Anthony, Jr., Ark.
Mickey Leland, Tex.
Barbara Boxer, Calif.
Sander M. Levin, Mich.
Bruce A. Morrison, Conn.
J. Roy Rowland, Ga.
Gerry Sikorski, Minn.
Alan Wheat, Mo.

Republicans

George Miller, Calif., chairman

Dan Marriott, Utah
Hamilton Fish, Jr., N.Y.
Dan Coats, Ind.
Thomas J. Bliley, Jr., Va.
Frank R. Wolf, Va.
Dan Burton, Ind.
Nancy L. Johnson, Conn.
John R. McKernan, Jr., Maine
Barbara F. Vucanovich, Nev.

MEMBERS OF CONGRESS

This roster of congressional members is included to help you in contacting your representatives.

Mail to Senators may be addressed to:

The Honorable _____
U.S. Senate
Washington, D.C. 20510

Mail to Congresspersons may be addressed to:

The Honorable _____
U.S. House of Representatives
Washington, D.C. 20515

Members can also be called. The Capitol Hill switchboard number is (202) 224-3121.

In the following list of members, Democrats are in roman type, Republicans in italic.

ALABAMA	
SENATORS	<i>Jeremiah Denton</i>
REPRESENTATIVES	
(Democrats, 5; Republicans, 2)	
1. <i>Jack Edwards</i>	6. Ben Erdreich
2. <i>William L. Dickinson</i>	7. Richard C. Shelby
3. Bill Nichols	
4. Tom Bevill	
5. Ronnie G. Flippo	
ALASKA	
SENATORS	<i>Frank H. Murkowski</i>
REPRESENTATIVE	
(Republican, 1)	
At Large— <i>Donald E. Young</i>	
ARIZONA	
SENATORS	Dennis DeConcini
REPRESENTATIVES	
(Democrats, 2; Republicans, 3)	
1. <i>John S. McCain III</i>	5. James F. McNulty, Jr.
2. Morris K. Udall	3. <i>Bob Stump</i>
	4. <i>Eldon D. Rudd</i>
ARKANSAS	
SENATORS	David H. Pryor
REPRESENTATIVES	
(Democrats, 2; Republicans, 2)	
1. Bill Alexander	3. <i>John P. Hammerschmidt</i>
2. <i>Ed Bethune</i>	4. Beryl F. Anthony, Jr.

CALIFORNIA

SENATORS

Alan Cranston

Pete Wilson

REPRESENTATIVES

(Democrats, 28; Republicans, 17)

1. Douglas H. Bosco
2. Eugene A. Chappie
3. Robert T. Matsui
4. Vic Fazio
5. Sala Burton
6. Barbara Boxer
7. George Miller
8. Ronald V. Dellums
9. Fortney H. (Pete) Stark
10. Don Edwards
11. Tom Lantos
12. Edwin V. W. Zachau
13. Norman Y. Mineta
14. Norman D. Shumway
15. Tony Coelho
16. Leon E. Panetta

17. Charles Pashayan, Jr.
18. Richard H. Lehman
19. Robert J. Lagomarsino
20. William M. Thomas
21. Bobbi Fiedler
22. Carlos J. Moorhead
23. Anthony C. Beilenson
24. Henry A. Waxman
25. Edward R. Roybal
26. Howard L. Berman
27. Mel Levine
28. Julian C. Dixon
29. Augustus F. (Gus) Hawkins
30. Matthew G. Martinez
31. Mervyn M. Dymally

COLORADO

SENATORS

Gary Hart

William L. Armstrong

REPRESENTATIVES

(Democrats, 3; Republicans, 3)

1. Patricia Schroeder
2. Timothy E. Wirth

3. Raymond P. Kogovsek
4. Hank Brown

CONNECTICUT

SENATORS

Louell P. Weicker, Jr.

Christopher J. Dodd

REPRESENTATIVES

(Democrats, 4; Republicans, 2)

1. Barbara B. Kennelly
2. Samuel Gejdenson

5. William R. Ratchford
6. Nancy L. Johnson

DELAWARE

SENATORS

William V. Roth, Jr.

Joseph R. Biden, Jr.

REPRESENTATIVE

(Democrat, 1)

At Large—Thomas R. Carper

DISTRICT OF COLUMBIA

DELEGATE

(Democrat, 1)

Walter E. Fauntroy

FLORIDA

SENATORS

Lawton Chiles

Paula Hawkins

REPRESENTATIVES

(Democrats, 13; Republicans, 6)

1. Earl Hutto
2. Don Fuqua
3. Charles E. Bennett
4. Bill Chappell, Jr.
5. Bill McCollum
6. Buddy MacKay
7. Sam M. Gibbons

8. C. W. Bill Young
9. Michael Bilirakis
10. Andy Ireland
11. Bill Nelson
12. Thomas F. Lewis
13. Connie Mack 3d
14. Daniel A. Mica

GEORGIA

SENATORS

Sam Nunn

Mack Mattingly

REPRESENTATIVES

(Democrats, 9; Republican, 1)

1. Lindsay Thomas
2. Charles Hatcher
3. Richard B. Ray
4. Elliott H. Levitas

5. Wyche Fowler, Jr.
6. Newt Gingrich
7. George (Buddy) Darden
8. J. Roy Rowland
9. Edgar L. Jenkins
10. Doug Bernard, Jr.

HAWAII

SENATORS

Daniel K. Inouye

Spark M. Matsunaga

REPRESENTATIVES

(Democrats, 2)

1. Cecil Heftel

2. Daniel K. Akaka

IDAHO

SENATORS

James A. McClure

REPRESENTATIVES

(Republicans, 2)

1. *Larry Craig*

Steve Symms

2. *George Hansen*

ILLINOIS

SENATORS

Charles H. Percy

REPRESENTATIVES

(Democrats, 12; Republicans, 10)

1. *Charles A. Hayes*
2. *Gus Savage*
3. *Marty Russo*
4. *George M. O'Brien*
5. *William O. Lipinski*
6. *Henry J. Hyde*
7. *Cardiss Collins*
8. *Dan Rostenkowski*

9. *Sidney R. Yates*
10. *John Edward Porter*
11. *Frank Annunzio*
12. *Philip M. Crane*
13. *John N. Erlenborn*
14. *Tom Corcoran*
15. *Edward R. Madigan*
16. *Lynn Martin*

INDIANA

SENATORS

Richard G. Lugar

REPRESENTATIVES

(Democrats, 5; Republicans, 5)

1. *Katie Hall*
2. *Philip R. Sharp*
3. *John Patrick Hiler*
4. *Dan R. Coats*

5. *Elwood Hillis*
6. *Danny L. Burton*
7. *John T. Myers*
8. *Frank McCloskey*

IOWA

SENATORS

Roger W. Jepsen

REPRESENTATIVES

(Democrats, 3; Republicans, 3)

1. *Jim Leach*
2. *Thomas J. Tauke*

3. *Cooper Evans*
4. *Neal Smith*

KANSAS

SENATORS

Bob Dole

Nancy L. Kassebaum

REPRESENTATIVES

(Democrats, 2; Republicans, 3)

1. *Pat Roberts*
2. *James C. Slattery*
3. *Larry Winn, Jr.*
4. *Dan Glickman*
5. *Bob Whittaker*

KENTUCKY

SENATORS

Walter (Dee) Huddleston

Wendell H. Ford

REPRESENTATIVES

(Democrats, 4; Republicans, 3)

1. *Carroll Hubbard, Jr.*
2. *William H. Natcher*
3. *Romano L. Mazzoli*
4. *M. G. (Gene) Snyder*
5. *Harold (Hal) Rogers*
6. *Larry J. Hopkins*
7. *Carl D. Perkins*

LOUISIANA

SENATORS

Russell B. Long

J. Bennett Johnston, Jr.

REPRESENTATIVES

(Democrats, 6; Republicans, 2)

1. *Robert L. Livingston*
2. *Corinne C. (Lindy) Boggs*
3. *W. J. (Billy) Tauzin*
4. *Charles Roemer*
5. *Thomas J. Huckaby*
6. *W. Henson Moore*
7. *John B. Breaux*
8. *Gillis W. Long*

MAINE

SENATORS

William S. Cohen

George J. Mitchell

REPRESENTATIVES

(Republicans, 2)

1. *John R. McKernan, Jr.*
2. *Olympia J. Snowe*

MARYLAND

SENATORS

Charles McC. Mathias, Jr.

Paul S. Sarbanes

REPRESENTATIVES (Democrat, 7; Republican, 1) 1. Roy Dyson 2. Clarence D. Long 3. Barbara A. Mikulski 4. Marjorie S. Holt 5. Steny H. Hoyer 6. Beverly B. Byron		MISSISSIPPI SENATORS John C. Stennis 1. Jamie L. Whitten 2. William W. Franklin 3. G. V. (Sonny) Montgomery 4. Wayne Dowdy 5. Trent Lott Thad Cochran	
MASSACHUSETTS SENATORS Edward M. Kennedy 1. Silvio O. Conte 2. Edward P. Bolland 3. Joseph D. Early 4. Barney Frank 5. James M. Shannon 6. Nicholas Mavroules 7. Edward J. Markey 8. Thomas P. O'Neill, Jr. 9. John Joseph Moakley 10. Gerry E. Studds 11. Brian J. Donnelly		MISSOURI SENATORS Thomas F. Eagleton 1. William (Bill) Clay 2. Robert A. Young 3. Richard A. Gephardt 4. Ike Skelton 5. Alan D. Wheat 6. E. Thomas Coleman 7. Gene Taylor 8. Bill Emerson 9. Harold L. Volkmer John C. Danforth	
MICHIGAN SENATORS Donald W. Riegle, Jr. 1. John Conyers, Jr. 2. Carl D. Pursell 3. Howard E. Wolpe 4. Mark D. Silander 5. Harold S. Sawyer 6. Bob Carr 7. Dale E. Kildee 8. Bob Traxler 9. Guy Vander Jagt 10. Donald J. Albosta 11. Robert W. Davis 12. David E. Bonior 13. George W. Crockett, Jr. 14. Dennis M. Hertel 15. William D. Ford 16. John D. Dingell 17. Sander M. Levin 18. William S. Broomfield		MONTANA SENATORS John Melcher 1. Pat Williams 2. Ron Marlenee Max Baucus REPRESENTATIVES (Democrat, 1; Republican, 1)	
MINNESOTA SENATORS David F. Durenberger 1. Timothy J. Penny 2. Vin Weber 3. Bill Frenzel 4. Bruce F. Vento 5. Martin O. Sabo 6. Gerry Sikorski 7. Arlan Stangeland 8. James L. Oberstar Rudy Boschwitz		NEBRASKA SENATORS Edward Zorinsky 1. Doug Bereuter 2. Hal Deub 3. Virginia Smith NEVADA SENATORS Paul Laxalt 1. Harry M. Reid 2. Barbara F. Vucanovich REPRESENTATIVES (Democrat, 1; Republican, 1)	

NEW HAMPSHIRE

SENATORS

Gordon J. Humphrey

Warren Rudman

REPRESENTATIVES

(Democrat, 1; Republican, 1)

1. Norman E. D'Amours

2. Judd Gregg

NEW JERSEY

SENATORS

Bill Bradley

Frank R. Lautenberg

REPRESENTATIVES

(Democrats, 9; Republicans, 5)

1. James J. Florio
2. William J. Hughes
3. James J. Howard
4. Christopher H. Smith
5. Marge Roukema

11. Joseph G. Minish
12. James A. Courter
13. Edwin B. Forsythe
14. Frank J. Guarini

NEW MEXICO

SENATORS

Pete V. Domenici

Jeff Bingaman

REPRESENTATIVES

(Democrat, 1; Republican, 2)

1. Manuel Lujan, Jr.

3. William B. Richardson

NEW YORK

SENATORS

Daniel P. Moynihan

Alfonse M. D'Amato

REPRESENTATIVES

(Democrats, 20; Republicans, 14)

1. William Carney
2. Thomas J. Downey
3. Robert J. Mrazek
4. Norman F. Lent
5. Raymond J. McGrath
6. Joseph P. Addabbo
7. Gary L. Ackerman
8. James H. Scheuer
9. Geraldine Anne Ferraro
10. Charles E. Schumer
11. Edolphus Towns

24. Gerald B. Solomon
25. Sherwood L. Boehlert
26. David O'B. Martin
27. George C. Wortley
28. Matthew F. McHugh
29. Frank Horton
30. Barber B. Conable, Jr.
31. Jack Kemp
32. John J. LaFalce
33. Henry J. Nowak
34. Stan Lundine

NORTH CAROLINA

SENATORS

Jesse A. Helms

John P. East

REPRESENTATIVES

(Democrats, 9; Republicans, 2)

1. Walter B. Jones
2. Tim Valentine
3. Charles O. Whitley
4. Ike Andrews

9. James G. Martin
10. James T. Broyhill
11. James McC. Clarke

NORTH DAKOTA

SENATORS

Quentin N. Burdick

Mark Andrews

REPRESENTATIVE

(Democrat, 1)

At Large—Byron L. Dorgan

OHIO

SENATORS

John Glenn

Howard M. Metzenbaum

REPRESENTATIVES

(Democrats, 10; Republicans, 11)

1. Thomas A. Luken
2. Willis D. Gradison, Jr.
3. Tony P. Hall
4. Michael G. Oxley
5. Delbert L. Latta
6. Bob McEwen
7. Michael DeWine

15. Chalmers P. Wylie
16. Ralph Regula
17. Lyle Williams
18. Douglas Applegate
19. Edward F. Feighan
20. Mary Rose Oakar
21. Louis Stokes

OKLAHOMA

SENATORS

David L. Boren

Don Nickles

REPRESENTATIVES

(Democrats, 5; Republican, 1)

1. James R. Jones
2. Mike Synar

5. Mickey Edwards
6. Glenn English

SOUTH DAKOTA

SENATORS
James Abdnor

Larry Pressler

REPRESENTATIVE
[Democrat, 1]

At Large—Thomas A. Daschle

TENNESSEE

SENATORS
James R. Sasser

Howard H. Baker, Jr.

REPRESENTATIVES
[Democrat, 6; Republicans, 3]

1. James H. Quillen
2. John J. Duncan
3. Marilyn Lloyd Bouquard
4. James Cooper
5. William H. Boner
6. Albert A. Gore, Jr.
7. Donald K. Sundquist
8. Ed Jones
9. Harold E. Ford

TEXAS

SENATORS

Lloyd M. Bentsen

John G. Tower

REPRESENTATIVES

[Democrat, 21; Republicans, 6]

1. Sam B. Hall, Jr.
2. Charles Wilson
3. Steve Bartlett
4. Ralph M. Hall
5. John W. Bryant
6. Phil Gramm
7. Bill Archer
8. Jack Fields
9. Jack Brooks
10. J. J. (Jake) Pickle
11. J. Marvin Leath
12. James C. Wright, Jr.
13. Jack Highower
14. William N. (Bill) Patman
15. E. (Kika) de la Garza
16. Ronald Coleman
17. Charles W. Sten
18. Mickey Leland
19. Kent R. Hance
20. Henry B. Gonzalez
21. Tom Loeffler
22. Ronald E. Paul
23. Abraham Kazen, Jr.
24. Martin Frost
25. Michael A. Andrews
26. Tommy J. Vandergriff
27. Solomon P. Ortiz

UTAH

SENATORS

Orrin G. Hatch

Jake Garn

REPRESENTATIVES

[Republican, 3]

1. James V. Hansen
2. David D. Marriott
3. Howard C. Nielson

OREGON

SENATORS

Mark O. Hatfield

Bob Packwood

REPRESENTATIVES

[Democrat, 8; Republicans, 2]

3. Ron Wyden
4. James Weaver

5. Denny Smith

PENNSYLVANIA

SENATORS

John Heinz

Arlen Specter

REPRESENTATIVES

[Democrat, 13; Republicans, 10]

1. Thomas M. Foglietta
2. William (Bill) H. Gray
3. Robert A. Borski, Jr.
4. Joseph P. Kolter
5. Richard T. Schulze
6. Gus Yatron
7. Bob Edgar
8. Peter H. Kostmayer
9. E. G. (Bud) Shuster
10. Joseph M. McDade
11. Frank Harrison
12. John P. Murtha
13. Lawrence Coughlin
14. William J. Coyne
15. Don Ritter
16. Robert S. Walker
17. George W. Gekas
18. Doug Walgren
19. William F. Goodling
20. Joseph M. Gaydos
21. Thomas J. Ridge
22. Austin J. Murphy
23. William F. Clinger, Jr.

RHODE ISLAND

SENATORS

Claiborne Pell

John H. Chafee

REPRESENTATIVE

[Democrat, 1; Republican, 1]

1. Fernand J. St Germain
2. Claudine Schneider

SOUTH CAROLINA

SENATORS

Strom Thurmond

Ernest F. Hollings

REPRESENTATIVES

[Democrat, 3; Republicans, 3]

1. Thomas F. Hartnett
2. Floyd Spence
3. Butler Derrick
4. Carroll Campbell, Jr.
5. John McK. Spratt
6. Robert M. (Robin) Tallon

VERMONT

SENATORS

Robert T. Stafford

REPRESENTATIVE

[Republican, 1]

At Large—James M. Jeffords

Patrick J. Leahy

William Proxmire

Robert W. Kasten, Jr.

WISCONSIN

SENATORS

REPRESENTATIVES

[Democrats, 5; Republicans, 4]

1. Les Aspin
2. Robert W. Kastenmeier
3. Steven Gunderson
4. Vacant

5. Jim Moody
6. Thomas E. Petri
7. David R. Obey
8. Toby Roth
9. F. James Sensenbrenner, Jr.

VIRGINIA

SENATORS

John W. Warner

Paul S. Trible, Jr.

REPRESENTATIVES

[Democrats, 4; Republicans, 6]

1. Herbert H. Bateman
2. G. William Whitehurst
3. Thomas J. (Tom) Bliley, Jr.
4. Norman Sisisky
5. Dan Daniel
6. James R. Olin
7. J. Kenneth Robinson
8. Stanford E. (Stan) Farris
9. Frederick C. Boucher
10. Frank R. Wolf

WASHINGTON

SENATORS

Henry M. Jackson

Slade Gorton

REPRESENTATIVES

[Democrats, 5; Republicans, 3]

1. Joel Pritchard
2. Al Swift
3. Don Bonker
4. Sid Morrison
5. Thomas S. Foley
6. Norman D. Dicks

7. Mike Lowry
8. Rod Chandler

WEST VIRGINIA

SENATORS

Jennings Randolph

Robert C. Byrd

REPRESENTATIVES

[Democrats, 4]

1. Alan B. Mollohan
2. Harley O. Staggers, Jr.
3. Robert E. Wise, Jr.
4. Nick J. Rahall 2d

WYOMING

SENATORS

Malcolm Wallop

Alan K. Simpson

REPRESENTATIVE

[Republican, 1]

At Large—Dick Cheney

FY 1985 CONGRESSIONAL BUDGET TIMETABLE

The Congressional Budget Process has become increasingly important in recent years. The process is designed to establish overall funding priorities for the Federal Government, taking both revenues and expenditures into account. The annual budget resolutions are the focal points in this process. The House and Senate Budget Committees have primary responsibility for the development of the budget resolutions; authorizing and appropriations committees also play key roles.

It is critical that everyone interested in children's programs forcefully and effectively inform members of the Budget Committee and other members of the absolute necessity that programs be continued, that no further cuts in funding levels be made, and that modest restoration in funding occur. The key points in the budget process are outlined below. The asterisks () on the budget timetable indicate the points at which letters, calls, and visits to members are essential. Your voice and presence make the difference. We urge you to participate in the Congressional Budget Process--success depends on it.*

February 1, 1984

President submits FY 1985 Budget to Congress.

February - March

House and Senate Budget Committees begin hearings on President's FY 1985 Budget proposal.

- o Analyses of the budget are prepared by Committee staff, CDF, and others.
- o Testimony and comments from Administration officials and the public are received.

FY 1984 CONGRESSIONAL BUDGET TIMETABLE
(continued)

The authorizing committees review and analyze individual programs under their jurisdictions and formulate funding recommendations for submission to the Budget Committees.

- o Some committees hold public hearings and carefully review the needs of the program; others do not.
- o Committee recommendations are extremely important in later stages of the legislative process.

March 15

Deadline for submission to Budget Committee of recommendations of authorizing committees.

April - May
*

Budget Committees conclude hearings and begin development of First Concurrent Budget Resolution. Resolution sets important, although non-binding, revenue goals and spending targets.

- o "Mark-ups" are held at which important votes are taken on budget proposals in each spending category or function. (One category, for example, is called Function 500 - Education, Training, Employment and Social Services).
- o Committees adopt First Concurrent Budget Resolution and report it to floor.

Full House and Senate consider First Concurrent Budget Resolution.

*

- o Alternative resolutions and amendments may be proposed on floor.

*

- o House/Senate conference committees convene to work out any differences between respective versions. Another opportunity for advocates to make case.

May 15

Deadline for adoption of First Concurrent Budget Resolution. Deadline for authorizing committees to report out necessary authorization legislation for specific programs.

June - August

The House and Senate Budget Committees may begin work on the Second Concurrent Budget Resolution.

- o The process is similar to that with respect to the First Resolution.
- o The Second Concurrent Budget Resolution is critically important because it is binding, and sets spending ceilings on programs by category.

*

FY 1985 CONGRESSIONAL BUDGET TIMETABLE
(continued)

The House and Senate Appropriations Subcommittees begin work on 13 bills that appropriate funds for federal programs. Hearings are conducted, testimony is received from Administration officials and public representatives, and mark-up sessions are held.

- o Decisions are made concerning FY 1985 spending levels for discretionary programs.

September 15

Deadline for final adoption of Second Concurrent Budget Resolution.

September 15 - 25

*

Reconciliation process may occur. If appropriations bills exceed ceilings in the budget resolution, Congress may order the affected committees to revise their spending to conform or reconcile with the ceilings.

- o Major substantive changes may occur in the context of reconciliation.

October 1, 1984

Beginning of FY 1985.

- o All regular appropriation bills scheduled for completion by this time.
- o Continuing Resolution may be necessary to fund programs and agencies contained in unfinished appropriations bills.

For more details on the Budget and on how you can work to influence it, see Children's Defense Fund, Children and the Federal Budget: How to Influence the Budget Process (1980).

1984 CONGRESSIONAL RECESS SCHEDULE

Senate

February 13 - 17
April 16 - 20
May 28 - 29
July 2 - 20
August 13 - 27
August 31 - September 5

House

February 10 - 20
April 16 - 23
May 25 - 29
July 2 - 20
August 13 - September 5

Adjournment target for both Houses is October 4.

Senators and Representatives are often in their home states and districts during recesses. You can visit them in their district offices at these times and tell them your opinions of budget cuts that hurt children. District offices are listed in the phone book.

Appendix C

Additional Resources

SOME OTHER RESOURCE ORGANIZATIONS

For additional information on budget cuts discussed in this book, we are listing a number of organizations that provided background information to us in the areas listed below. At least one person is listed for each organization.

Food Stamps, WIC, Child Nutrition

Center on Budget and Policy Priorities
236 Massachusetts Avenue, N.E., #305
Washington, D.C. 20002
(202) 544-0591
Bob Greenstein, Stefan Harvey

Food Research and Action Center/
National Anti-Hunger Coalition
1319 F Street, N.W., Suite 500
Washington, D.C. 20004
(202) 393-5060
Nancy Amidei, Ed Cooney

Low-Income Energy Assistance

National Consumer Law Center
236 Massachusetts Avenue, N.E., #504
Washington, D.C. 20002
(202) 543-6060
Carol Werner

National Council of Senior Citizens
925 15th Street, N.W.
Washington, D.C. 20005
(202) 347-8800
Eric Shulman

Low-Income Housing

National Low-Income Housing Coalition
323 8th Street, N.E.
Washington, D.C. 20002
(202) 544-2544
Cushing Dolbeare

National Rural Housing Coalition
1016 16th Street, N.W., Suite 8G
Washington, D.C. 20036
(202) 775-0046
Bob Rapoza

Civil Rights

National Urban League
425 13th Street, N.W., #812
Washington, D.C. 20004
(202) 393-4332
Dr. Douglas Glasgow

NAACP
1025 Vermont Avenue, N.W., #820
Washington, D.C. 20005
(202) 638-2269
Althea Simmons

OTHER RESOURCE ORGANIZATIONS
(continued)

Civil Rights (continued)

Center for National Policy Review
The Catholic University of America
620 Michigan Avenue, N.E.
Washington, D.C. 20064
(202) 832-8525
William Taylor

Leadership Conference on Civil
Rights
2027 Massachusetts Avenue, N.W.
Washington, D.C. 20036
(202) 667-1780
Ralph Neas

Employment

National Employment Law Project
236 Massachusetts Avenue, N.E., #504
Washington, D.C. 20002
(202) 544-2185
Michelle Branche

Family Planning

The Alan Guttmacher Institute
2010 Massachusetts Avenue, N.W., #500
Washington, D.C. 20036
(202) 296-4012
Asta Kenney

General Budget Information

Fair Budget Action Coalition
c/o FRAC
1319 F Street, N.W.
Washington, D.C. 20004
(202) 393-5060
Rus Sykes

Juvenile Justice, Runaway Youth

National Network of Runaway and
Youth Services
905 6th Street, S.W., #612
Washington, D.C. 20024
(202) 488-0739
June Bucy

NAACP Legal Defense and Educational
Fund, Inc.
Washington Office
806 15th Street, N.W., Suite 940
Washington, D.C. 20005
(202) 638-3278
Phyllis P. McClure

Lawyers Committee for Civil Rights
Under Law
1400 I Street, N.W., #400
Washington, D.C. 20005
(202) 371-1212
Bill Robinson

Community and Migrant Health Centers

National Association of Community
Mental Health Centers
1625 I Street, N.W., #420
Washington, D.C. 20006
(202) 833-9280
Dan Hawkins

Block Grants

Ad Hoc Coalition on Block Grants
and Entitlements
1000 Wisconsin Avenue, N.W.
Washington, D.C. 20007
(202) 342-0594
Pablo Eisenberg, Andy Mott

Ad Hoc Coalition for Juvenile
Justice
1346 Connecticut Avenue, N.W., #508
Washington, D.C. 20036
(703) 971-1102
Robbie Callaway, Chair

OTHER RESOURCE ORGANIZATIONS
(continued)

Juvenile Justice (continued)

National Youth Work Alliance
1346 Connecticut Avenue, N.W.
Washington, D.C. 20036
(202) 785-0764
Bill Trainer

Military/Defense

Coalition for a New Foreign
and Military Policy
120 Maryland Avenue, N.E.
Washington, D.C. 20002
(202) 546-8400
Steve Daggett

Council on Economic Priorities
84 Fifth Avenue, Room 905
New York, N.Y. 10011
(212) 691-8550
Jonathan Halperin, Bill Hartung

Defense Budget Project
236 Massachusetts Avenue, N.E.
Washington, D.C. 20002
(202) 546-9737
Gordon Adams

SANE
711 G Street, S.E.
Washington, D.C. 20003
(202) 546-7100
Mike Mawby

Council for a Livable World
100 Maryland Avenue, N.E.
Washington, D.C. 20002
(202) 543-4100
Katherine McGraw

SELECTED PUBLICATIONS ON THE BUDGET
AND THE EFFECTS OF PRESIDENT REAGAN'S POLICIES

General

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- Gartner, Alan; Greer, Colin; and Riessman, Frank, eds. What Reagan Is Doing to Us. New York: Harper & Row, 1982.
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- U.S. Congress, Joint Economic Committee. Impact of the 1981 Personal Income Tax Reductions on Income Distribution. Washington, D.C.: Joint Economic Committee, 1982.

Block Grants

- Center for Law and Social Policy. New Federalism or Old Hoax? Block Grants in FY 1982. Washington, D.C.: Center for Law and Social Policy, 1982.
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American Federation of State, County, and Municipal Employees and Public Employee Department, AFL-CIO. State of the States. Washington, D.C.: AFSCME and Public Employee Department, AFL-CIO, 1984.

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* Several local Child Watch projects from around the country have produced reports. If you are interested in pursuing this, contact Fran Eizenstat at CDF.

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Health*

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Bovbjerg, Randall R.; and Holshan, John. Medicaid in the Reagan Era: Federal Policy and State Choices. Washington, D.C.: The Urban Institute Press, 1982.

* See also State and Local Impact, above.

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Nutrition and Hunger*

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- Food Research and Action Center. Still Hungry: A Survey of People in Emergency Food Pantries. Washington, D.C.: Food Research and Action Center, 1983.
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Education

- Council of the Great City Schools. Effect of Reagan Budget Proposals on Urban Schools. Washington, D.C.: Council of the Great City Schools, 1983.

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